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Younous Nady.—1.

Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

Part XIII.

[E 17/17/44] No. 1.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 3, 1927.)

(No. 685.)

Sir, *Constantinople, December* 29, 1926.

SINCE my arrival here I have had the honour to report several indications of an improvement in Anglo-Turkish relations. Not only was my own reception at Angora distinctly friendly, but the attitude of the Turkish authorities on a number of questions of minor importance has been more helpful of late. The press also has reflected this change of tone. We are now far from the days when His Majesty's Government were held up to the Turkish public as the disturber of the peace, as the jealous Imperialist who could not forgive the new Turkey for bursting her swathing bands and trying to take her place as an equal among the European nations.

2. There was no journalist in Turkey who did more to misrepresent the policy of His Majesty's Government during the Mosul crisis than Younous Nady, the editor of the "République," and there is no journalist here to-day who is going so far in the opposite direction. I do not know what impression Younous Nady made on you, Sir, when you saw him at Geneva, but my own belief is that he is neither possessed of any deep political convictions nor has the courage of such opinions as may find favour with him. On the contrary, his aim is to reflect the opinions of those in power at Angora and, when he launches on anything in the nature of a political campaign, he never strays far from the path which the Government would consider strictly orthodox. For this reason, I am disposed to attach some importance to his wanderings in Europe and to the articles which he is sending to his paper from abroad.

3. In his article which appeared in the "République" on the 27th December, Younous Nady adopts a distinctly friendly attitude towards the League of Nations. One has not got to read far between the lines to discover that it is practically an invitation to Turkey to join the League. To begin with, he emphasises the predominant rôle played by England at Geneva and, still more, the predominant rôle played by England in Europe. He lays stress on the importance of Germany's adhesion, and adds that he cannot quite understand why Russia does not follow suit. Even America, he asserts, is far from hostile, and he expects that the day is not far distant when she, too, will join. Of the Great Powers, Italy alone is cool in her allegiance. Italy did not draw the same advantages from the war as her other Allies. She does not like to see herself tied hand and foot by the League, yet she cannot make up her mind to burst the bonds which tie her to the League. Indeed, there is every reason to suppose that in Italy, too, calm and logic will prevail.

4. As regards the smaller Powers in the League, Younous Nady maintains —and this seems to me of importance, for Turkey recognises that she is a small Power—that in spite of the predominance of England, they, too, are treated on an equality with the others. Provided that a nation is really conscious of her separate existence, the Great Powers cannot by violence change her frontiers.

5. The conclusion which Younous Nady draws from these observations is that, in order to safeguard her rights and interests, Turkey should take a more active part in the life of Europe and should display a vigilance greater than that of all other nations in a similar position.

I have, &c.
GEORGE R. CLERK.

[E 254/147/44] No. 2.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 17.)

(No. 19.)
Sir, *Angora, January* 4, 1927.

AT the close of an interview on current business with the Minister for Foreign Affairs yesterday evening his Excellency suddenly made a long and earnest appeal to me on the coupons question.

2. He said that the Turkish Government honestly wish to settle this matter, the last of the outstanding hindrances to the re-establishment of completely friendly relations with the Western Powers, and that they are ready to strain their resources to the utmost limit to do so, but, if the bondholders insist on conditions which Turkey is materially incapable of fulfilling, the tentative offers already made, which are entirely unofficial and have only been put forward on the initiative of the Minister for Foreign Affairs himself, must be withdrawn and the intention of starting official negotiations must be abandoned until a more propitious time arrives.

3. According to the Minister for Foreign Affairs, the present official position is that the bondholders have demanded £T. 2,500,000 gold and the Turks have offered £T. 1,500,000 gold, this payment to cover all claims. But, unofficially, the Turkish Government and the Finance Commission, persuaded thereto by the Minister for Foreign Affairs' arguments of high policy, would agree in practice to £T. 2 million gold, though no mention of this figure must be made in any formal agreement which has to be submitted for sanction to the National Assembly, since that body would unhestitatingly reject it, and some means must therefore be devised to get over this particular fence. Another essential point is that the Turkish exchange must be safeguarded. Payment of £T. 2 million gold represents to-day some £T. 18 million or £T. 20 million to be paid annually, and unless due precaution is taken this may spell disaster to the rate of exchange.

4. Tewfik Rushdi had hoped, fortified therein by the assurances given him by the last French Ambassador, M. Sarraut, that the present discussions in Paris would result in an understanding that official negotiations would open on the basis of an offer of £T. 1,500,000 gold by the Turks and a demand for £T. 2,500,000 gold by the bondholders, with a tacit agreement to compound on £T. 2 million gold and an assurance that means would be devised to secure the Turkish exchange from depreciating as a consequence of having to make this payment.

5. His Excellency told me that M. Sarraut had assured him that the French bondholders would agreed to "la moyenne," that is approximately 2 millions, but his Excellency had not appealed to M. Sarraut's successor to ask the French Government to use its influence in this direction with the Council of Foreign Bondholders because he knew all too well that that Government would demand a price of some sort for its acquiescence. His Excellency did, however, appeal to His Majesty's Government because he knew he was quite safe on that score and also because he was informed that the main obstacle to settlement on the above lines was the attitude of Sir Adam Block. There was no doubt on this point in his Excellency's mind, for he had had it unofficially but very distinctly from the French that though, under pressure from Sir Adam Block, they spoke as they did officially, privately they were quite prepared to accept 2 millions.

6. Tewfik Rushdi added, but expressly not as an argument that need or should carry weight with His Majesty's Government, that his personal position was at stake. His Mosul policy was unpopular, but if with the help of His Majesty's Government he settled the coupons question he would be justified. If the coupons negotiations fell through, the Assembly would demand his head, and get it, and the really sincere effort of the Turkish Government for friendship with us would then be lost labour.

7. I said that I could not accept the charge of obstruction against Sir Adam Block. I was convinced that he was as desirous as any one else of reaching a settlement, and if it were indeed the case, as to which I had no information, that the present attitude of the council corresponded with Sir Adam's views, it merely showed that that body considered they were well founded, and it seemed to me that it was for the Turkish representatives to convince the council to the contrary. I went on to say that his Excellency must be aware that His Majesty's Government, glad though they would be to see agreement reached, could not and would not exert pressure on the British bondholders, still less on those of other nationalities, to make sacrifices which the official representatives of those people, namely, the council, considered unjustified. I added that none the less, in view of the urgent nature of his Excellency's appeal, I would transmit it to you.

8. I venture to annex to this despatch a copy of a letter which I wrote to Mr. Oliphant on the 15th December last, as the opinion which I then expressed represents such observations as I would now make on Tewfik Rushdi's appeal. His Excellency no doubt put his case with a touch of exaggeration, but I do not think that he is altogether bluffing, certainly not as regards his own position. Far be it from me to suggest that we should step an inch out of our way to save Tewfik Rushdi's political neck, but, whether Tewfiek Rushdi or another be in office, from a political point of view a settlement of the coupons questions seems to be the culminating point of the move towards good relations which started with the signing of the Mosul Treaty. If, therefore, His Majesty's Government alone were concerned, I should advocate the acceptance of Tewfik Rushdi's offer, though making it very clear that the settlement of this particular question in no sort of way, explicit or implicit, conveyed an understanding that the London money market would then and there be open to the Turkish Government. As things are, however, our hands are more or less tied by the fact that the primary interests involved are those of the bondholders, who have already suffered severely. I cannot say whether the bondholders would have much chance of getting a better offer two or three years from now, especially the British bondholders who, if I am rightly informed, come off proportionately better than any of the others under the present suggestion, and to break off seems rather like refusing a bankrupt's offer of 3*s*. in the £ down, in the hope that by giving him another chance to recover his losses he may pay 15*s*. in the £ in ten years' time. But this is frankly a layman's opinion and I should not be warranted in asking the Foreign Office to press it officially upon the British members of the Council of Foreign Bondholders and their advisers, who are far more qualified than I am to judge the actual financial capacity of the Turks, present and future. I can only reiterate my conviction that to miss this opportunity of settling the coupons question will mean an unhappy set back to our general relations with the Turkish Republic.

I have, &c.
GEORGE R. CLERK.

Enclosure 1 in No. 2.

Sir G. Clerk to Mr. Oliphant.

My Dear Lancelot, *Constantinople, December* 15, 1926.

MANY thanks for sending me Block's letter to you of the 5th December and the resolution of the Council of Foreign Bondholders.

The latter document is very technical, but seems to show that the bondholders are tying the Turks down pretty tight as regards the essential preliminary conditions to any agreement, but that the terms of such an agreement are still left quite open to discussion. I don't know yet what effect the resolution has had on the Turks, though I may glean something on my next visit to Angora. Let us hope that the Turks will realise that the resolution is not an attempt to squeeze them, but an esesntial and practical preliminary to a settlement.

Meanwhile, here is the fruit of some cogitation on the general question, which, now that Mosul is out of the way, is the one big contentious point left between us and the Turks, and one which it is greatly to our interest to get settled if possible.

2. Niemeyer, in his letter to Seydoux of the 29th October (Foreign Office despatch to Constantinople, No. 919, of the 11th November), asked three questions :—

(*a*.) Are the Turks really desirous now of making a genuine settlement, and do they intend to carry it out?

(*b*.) Do the Turks appreciate that they have got to re-establish their credit, not only by making a paper settlement, but by making payments under that settlement, before they can hope to approach international markets?

(*c*.) Does the actual position of Turkish finance suggest that they could in fact pay out of revenue in cash any substantial sum now?

and in his letter of the 12th November to Seydoux (Foreign Office despatch to Constantinople, No. 951, of the 22nd November), he asks, as a corollary to question (b), whether the Turks clearly understand that any settlement now made does not imply, and is not contingent, morally or otherwise, on their being assisted to raise public loans.

3. These are searching and fundamental questions, and Niemeyer's implied answer is distinctly negative. My reply to them would rather be as follows :—

(*a*.) I am of opinion that the Turks do want a genuine settlement, because until there is such a settlement they feel that their relations with the Great Western Powers, and especially with us, cannot be really satisfactory. Further, I think they intend to carry out any settlement to which they put their signature, but of course the proof of this particular pudding is very much in the eating. The Turks can only prove their good faith by actually fulfilling their undertakings. As regards the moratorium, I incline to the view that this was put in as a bargain counter and that, if they were allowed a moratorium for the sinking fund, they would be ready to pay interest to the bondholders forthwith.

To (*b*) I would answer "Yes," as regards the Turks' realising that they must re-establish their reputation for honesty by making prompt and punctual payment, and a not very certain "No," as regards their desire to obtain large foreign loans. With their present mentality they look on foreign loans with dread, and they intend, so far as they can, to worry through on their own resources. But they want also to get on with their railways and harbours and so on, and they will therefore make use of foreign capital, if they can get it in a form which safeguards them from foreign domination. They are doing so, for instance, in the case of the two railways which the Swedish and Belgian group are offering to construct. I should, however, hesitate to say that Turkey will in the near future try to raise a large foreign loan, for she knows that the conditions would be too onerous, and she has no intention of submitting herself again to such a régime as that of the Administration of the Ottoman Debt.

As to question (*c*), which is really the most fundamental one of all, I know that Block—and he speaks of course with great authority—is pessimistic. Moreover, there is, I hear, an undoubted shortage of cash at Angora at the moment. Knox hears that for months past none of the German firms working for the Government there have been able to extract a piastre. And I know that the Danish Chargé d'Affaires is a good deal worried as to the chances of his countrymen, who are sharing in the Swedish business, burning their fingers. But against that I might point out that for the last six years the estimated revenue of the Turkish budget has steadily increased. It is true that every year until the present one the estimated expenditure has shown a deficit. But nothing has been heard of the deficit in the succeeding year. The natural inference is therefore that in each year the actual revenue that has come in has exceeded the estimate sufficiently to swallow the deficit and to justify the higher estimate for the next year. If I am to believe sound local observers, there was a real deficit this current year for the first time, and that is why the estimates for next year, instead of continuing the upward progression, have remained at about the same figure—or a little less—than last year. In short, the Turk is living within his means.

Nor need one attach necessarily too great importance to the yearly deficits. The Turk is not going to show a handsome surplus on his year's revenue until the coupons question is settled, for if he did, the bondholders would at once come down and say: "Well, what about us?" I do not say that this is a very honourable attitude on the part of the Turk, but it seems both natural and likely.

Lastly, Reid of the Ottoman Bank, who should know, tells me that the Turks could certainly pay the 20 million liras, which, at the present exchange, represents roughly, interest and sinking-fund on £T. 2 million gold, but that some scheme would have to be devised to save the Turkish exchange from being knocked endways in the process. Balancing the pros and cons, my general impression is that we might try for an agreement on a basis of, say, £2 million sterling, with a three or five years' moratorium for the sinking fund, but not for interest to the bondholders.

I feel that I have been here too short a time to warrant me in setting forth these views in an official despatch, but I am moved to submit them to you, for, whether I am right or wrong in what I have written above, I am sure we should do all we can to secure a settlement of the Turkish debt. If the present negotiations break down, the other foreign bondholders, in spite of their acceptance of Block's resolution, will not be slow to give the Turks to understand that it we who prevented a settlement, and the reaction on our relations with Turkey will be most unfortunate.

G. R. CLERK.

P.S.—My despatch No. 664 of the 15th December, sent by this bag, shows well in what form the Turks are ready to accept foreign financial assistance. If they can find enough people rash enough to accept such conditions, so much the better for them, but their meeting of their obligations under these railway contracts will be a good test both of their sincerity and of their capacity to pay.

The accompanying table explains my observations about the budget.

G. R. C.

Enclosure 2 in No. 2.

BUDGETS.

Revenue.

	Estimates voted. £T.	Revenue realised. £T.	Difference. £T.
1922–23	60,619,150	71,729,636	11,110,486*
1923–24	94,537,874	111,271,945	16,734,071*
1924–25	129,164,610	135,786,000	6,621,390†
1925–26	153,046,854	150,849,978	2,196,876†

In some cases credits voted are not really expended, cuts being effected during the year.

[**E 255/255/44**] No. 3.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 17.)

(No. 20.)

Sir, *Constantinople, January* 12, 1927.

WITH reference to Mr. Hoare's despatch No. 598 of the 10th November last relative to the Turkish budget estimates for the financial year 1927–28, I have the honour to transmit to you herewith a translation, prepared by the Ottoman Bank, of the detailed estimates of Government revenue for the period in question.‡ A statement of Government expenditure was transmitted under cover of my above-mentioned despatch, but, as the result of slight modifications in various Departmental credits, the total expenditure sanctioned by the Council of Ministers was increased from £T. 188,798,779 to £T. 188,807,330, and a revised list of Department votes is also attached.* As the Government estimates that revenues during the financial year 1927–28 will amount to £T. 188,811,379, the budget thus shows a surplus of £T. 4,049.

2. No *compte rendu* is presented by the Ministry of Finance to the Assembly at the close of each financial year which would serve to indicate to what extent the Government's estimates of revenue have been realised, and it is of interest, therefore, to analyse the principal revenues shown on the attached list,* which, for the most part, have been based on the actual fiscal receipts for the first four months of the present financial year.

3. *Direct Taxation.*—The revenues under the heading of direct taxation, which include the taxes on landed property, land, profits, exoneration from military service, capitation tax, tax on live stock, succession duties and mines and forests under private exploitation, are estimated to yield £T. 43,301,000 as against £T. 39,211,000 for the

* According to official *compte rendu*.

† According to the declarations of the Minister of Finance.

‡ Not printed.

current financial year, an increase of £T. 4,090,000. The principal increases in this section are in respect to—

(a.) *The Land Tax.*—This tax, estimated to bring in £T. 6,750,000 during the current financial year, actually realised £T. 9,000,000 during the first four months of the year, and the estimates for the coming year have, therefore, been provisionally fixed at £T. 9,500,000.

(b.) *The Profits Tax.*—The revenue to be derived from this source during the current financial year was in the Government's estimates finally assessed at £T. 9,260,000. The actual receipts during the first four months of the financial year under this heading amounted to £T. 6,000,000, and, although a large proportion of this tax is paid during the early months of each financial year, the Government has estimated that the tax during the coming financial year will yield £T. 9,750,000, an increase of £T. 490,000.

(c.) *Tax on Live Stock.*—This tax was estimated to bring in £T. 9,451,000 during the present financial year, but, in view of the fact that £T. 8,800,000 has already been collected, the estimates for 1927–28 have been increased to £T. 12,001,000.

4. *Indirect Taxation.*—This section comprises customs duties, consumption taxes, maritime dues, sanitary taxes and fishing and hunting dues. The estimates of revenue to be derived from this section in 1927–28 amount to £T. 72,446,000 as against £T. 78,746,000 for the current financial year, thus showing a decrease of £T. 6,300,000.

(a.) *Customs Duties.*—The estimates under the heading of customs duties have been reduced from £T. 39,750,000 for 1926–27 to £T. 32,750,000 for the coming financial year. The customs receipts during the first four months of the financial year amounted to £T. 10,633,000.

(b.) *Consumption Taxes.*—(1.) The turnover tax: This tax was estimated to bring in £T. 15,000,000 during the present year and, judged by the yield during the first four months, this estimate will be realised at the close of the financial year. In view of the impending modification of this tax, which will be known as the "transaction tax," the revenue from this source during the coming financial year has been assessed at £T. 17,000,000.

(2.) Sugar and petroleum consumption taxes: The estimates under this section for 1926–27 amounted to £T. 21,000,000, but during the first four months of the current financial year the receipts amounted to only £T. 5,000,000. The Government has, however, estimated the yield in 1927–28 at £T. 20,000,000.

5. *Monopolies.*—This section includes the following monopolies: Tobacco, salt, sugar, petroleum and benzine, matches, alcohol and alcoholic liquors, revolvers and industrial explosives, posts and telegraphs, and the Mint. The estimates for 1926–27 under this section amounted to £T. 45,999,000, whilst for the coming financial year revenues are estimated at £T. 48,076,525, an increase of £T. 2,077,525.

(a.) *Tobacco.*—This monopoly, estimated to produce a revenue of £T. 15,000,000 during the current year, actually realised £T. 5,800,000 during the first four months, and revenues for the coming financial year have, therefore, been estimated at £T. 17,000,000.

(b.) *Salt.*—The revenue under this heading is estimated at £T. 9,000,000 for the coming financial year, an increase of £T. 500,000 over the current year's estimates. The revenue collected by the fiscal authorities under this heading during the first four months of the financial year amounted to £T. 3,125,000.

(c.) *Sugar.*—The actual receipts for the first three months of the year amounted to £T. 1,900,000, and the revenue for the coming financial year has been estimated at £T. 4,500,000.

(d.) *Petroleum and Benzine.*—The monopoly tax was estimated to yield £T. 4,000,000, and the actual receipts for the first four months of the financial year were £T. 1,600,000. As, however, a draft law is now before the Assembly to reduce the monopoly tax from 8 piastres to 1 piastre per kilo., the revenue to be derived from this source for 1927–28 is estimated at £T. 1,200,000. It will be observed that this reduction is by no means in proportion to the reduction in the monopoly tax.

(e.) The revenue to be derived from the match, alcohol, and revolver and industrial explosives monopolies is fixed by contract with the companies to which the administration of these monopolies has been conceded and the Government has based its estimates of revenue in accordance with the terms of the relevant contracts.

6. *Stamp Duties, Registration Taxes.*—This section shows an increase of £T. 900,000 as compared with the current financial year, but the only section of interest is that concerning the issue of identity cards which, as the result of the new census to be taken, are estimated to bring in £T. 1,200,000 in 1927–28 as against only £T. 100,000 during the current financial year.

7. *State Establishments.*—The revenues under this section, which includes State schools, agricultural, veterinary, industrial and sanitary establishments, State mines and forests and the sale of State property, have been estimated to yield £T. 8,200,000, as against £T. 10,180,000 during the current financial year. The decrease in this section is due to the fact that a large proportion of house property belonging to the State will be ceded to the Banque immobilière.

8. As regards Government credits, the distribution is effected as follows:—

	Proposed for 1927.	Voted in 1926.
	£T.	£T.
Salaries of Government officials .	26,520,156	25,314,556
Allowances	35,841,859	42,097,026
Remaining Government expenditure	126,445,315	122,665,362

9. Article 2 of the Budget Law for the current financial year stipulates that each Department must reduce its personnel by at least 3 per cent. by the end of May 1927. The total number of Government officials in 1926 was 66,989, but in the estimates for 1927–28 provision is made for only 62,170, a reduction of 4,819, or 7 per cent.

I have, &c.
GEORGE R. CLERK.

[E 256/74/65] No. 4.

Sir G. Clerk to Sir Austen Chamberlain.—(Received January 17.)

(No. 21.)

Sir, *Angora, January 4, 1927.*

IN my despatch No. 621 of the 24th November last I reported a declaration of a drastic policy towards the Kurds which the Minister for Foreign Affairs had made in conversation with the High Commissioner for Iraq.

2. In an interview with Tewfik Rushdi yesterday evening I brought this topic into our talk and found his Excellency as uncompromising as when he spoke to Sir Henry Dobbs. He enunciated his theory of historical philosophy. The pendulum swings between a period of empire or federation and one of independent nations and races; the British Empire alone in history has had the political wisdom to adapt itself to the growth of separatist forces and so to preserve its structure; the pendulum has now reached the maximum of its swing towards individual and separate nations and the swing back into groups, if not into empires, is already noticeable. The process is inevitable, but in its course small national units must disappear, or only survive precariously because their absorption by one of their bigger neighbours means war with the others. independent existence for all small nationalities of 1 or 2 millions, *e.g.*, Albania, is henceforth impossible. Thus the Kurds, too, are inevitably doomed, but in their case their cultural level is so low, their mentality so backward, that they cannot be simply assimilated in the general Turkish body politic. Like what his Excellency called "the Hindus of America," by which presumably he meant the Red Indians, they will die out, economically unfitted for the struggle for life in competition with the more advanced and cultured Turks, who will be settled in the Kurdish districts. After all there are less than 500,000 Kurds in Turkey to-day, of whom as many as can will emigrate into Persia and Iraq, while the rest will simply undergo the elimination of the unfit.

3. It is hard to believe that such views are seriously held by a responsible Minister, and yet I believe they are. Even more amazing than their naïveté is the childish under-estimation of the difficulties facing the Turks. Tewfik Rushdi's 500,000 Kurds in Turkey are, by all reliable accounts, far below the real figure. One of the few men qualified to judge, a Governor of Cæsarea in former days, told me that before the war there were at least 2½ million Kurds in Turkey, and that there cannot be less than 1½ million to-day, and that the Turks can never hope to eliminate them. We know little of what is happening in Kurdistan, but we do know that Turkey is keeping an army there, spending proportionately vast sums of her revenue in the process, and that there are no signs as yet of Kurdish extinction.

Copies to Bagdad and Tehran.

I have, &c.
GEORGE R. CLERK.

[**E 257/257/44**] No. 5.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 17.)

(No. 22.)

Sir, *Constantinople, January* 12, 1927.

I HAVE the honour to inform you that the Angora Independence Tribunal has recently issued a brief statistical report of its labours, which is not uninteresting. It is rather grim reading and it may be supposed that the political offenders are many more than is admitted.

2. Since the beginning of March 1925, when the tribunal started, over 1,000 persons, it is stated, have been accused of political offences, while no less than 800 have been had up for brigandage. The ordinary citizen may therefore balance against his dread of the political investigations of the tribunal the consoling thought that something has been done by this summary court in the way of keeping down brigandage, which was the scourge of old Turkey, for security in the west of Turkey has probably never been so good as it is now. But, though the members of the Independence Tribunal are met with every form of obsequiousness wherever they go, they are not popular. Most peoples, even if so passive as the Turkish, probably prefer to be modernised in their own way. The Angora Independence Tribunal exists to see that the Turks modernise themselves in the Ghazi's way, a process which has entailed this year the execution of 125 persons and the condemnation of well over 500 to prison.

3. The Ghazi's private opinion is that the country needs a despotism, benevolent but resolute, underneath the republican form of government, and the above figures, which are probably considerably understated, are one outcome of this view. Not that there is not something to be said for his policy. Were the country not run with a firm hand, internecine strife—even if it did not let the foreigner into the country—might still cause as much actual human suffering as the Independence Tribunals.

4. Distance makes it still harder to learn anything about the doings of the Independence Tribunal at El Aziz, near Kharput, which is in the main occupied with Kurds. It is admitted that the work of pacification is still far from finished and that, until the disloyal Kurds are extirpated, the tribunal will be needed. The policy of breaking up the Kurdish tribes, disarming everyone and deporting at any rate the leaders, is still being followed. Military law in the eastern vilayets has been extended till the 23rd November next, and nearly half the entire army is occupied in putting this policy into effect with varying success. The press last month published tributes to the army for chastising the Kotch-Ushaghi tribe in the Dersim, which had evidently resisted the efforts of the military authorities to bring it to book.

5. For the settlement in Western Anatolia of the Kurdish families deported from Bayazid and elsewhere—or such of them as do not perish in the process of deportation—a Bill is to be presented to the Assembly. But, as it deals only with some 2,000 persons, it may be inferred either that the troops have not been able to hunt down many of the Kurdish mischief-makers or, more probably, that of those in any way connected with the rebels, not many who have been caught have survived.

6. For the filling of the void made in the Kurdish district by the removal of Kurds, the settlement of immigrants is contemplated. It is hoped that Moslem immigrants may be obtained from Jugoslavia, from the Dobruja, from Bulgaria, from Cyprus and from the Caucasus. But unless pressure is applied by the Governments of

those countries, these hopes are likely to prove over-sanguine. The experiences of the Moslems who were transplanted into Turkey from Greece are far from encouraging. Peasantry who in the land of the giaour are fairly prosperous and may wear their fezes and say their prayers without loss of esteem are not likely to be anxious to be dumped in the inhospitable regions of Kurdistan in order that they may make a new start in life in cloth caps. Turkey can now hardly make the appeal which once it did as Dar-ul-Islam.

7. I am sending a copy of this despatch direct to His Majesty's High Commissioner for Iraq at Bagdad.

I have, &c.
GEORGE R. CLERK.

[**E 398/398/44**] No. 6.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 24.)

(No. 27. Confidential.)

Sir, *Constantinople, January* 18, 1927.

WITH reference to your circular despatch dated the 22nd July last, I have the honour to transmit herewith biographical notes on the leading personalities in Turkey.

2. In this connection, I beg to invite reference to my despatch No. 647 of the 8th December last in which were enclosed notes on the chief personalities in the Turkish journalistic world.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 6.

Notes on the Leading Personalities in Turkey.

Abdul Halik Bey, Mustafa.

BORN at Yanina about 1870. Belongs to a family of Albanian Tosks. Educated at Yanina and at Mulkie College, Constantinople. In 1908 appointed member of the Council of State. Uncle by marriage of the late Talaat Pasha. 1910–11 Vali of Uskub. 1914–15 Vali of Van. For a short period in 1915 was Under-Secretary for the Interior. 1915–16 Vali of Bitlis and 1916–17 of Aleppo. Again became Under-Secretary for the Interior, holding post until the armistice. Arrested in May 1920 and deported to Malta on charge of atrocities committed at Aleppo during the war. Learnt to play tennis and bridge there. In 1923 was Vali of Smyrna, when he got on well with Europeans. In July elected Deputy of Kiangri. In January 1924 succeeded Hassan Fehmi Bey as Minister of Finance and held post till March 1925. Resigned on fall of Fethi Bey and became director-general of the Agricultural Bank and chairman of the Parliamentary Committee on Finance. In July 1926 again became Minister of Finance.

Abdul Halik Bey knows Greek well and French. A man of some administrative capacity. Owed his early advancement to his relationship with Talaat Pasha, and was never a prominent Unionist figure. Now has the confidence of Mustafa Kemal.

Adnan Bey, Dr.

Born about 1880. Trained in Germany as physician, and was formerly medical adviser to Talaat Pasha. During the war was a prominent member of the Committee of Union and Progress. In 1919 became secretary-general of the Red Crescent Society and a Deputy for Constantinople. In January 1920 went to Angora and threw in his lot with Mustafa Kemal, and in May became Minister of Public Health. In August became temporarily Minister of the Interior and in March 1921 Vice-President of the Assembly. In June 1922 became Minister of Public Works, but resigned in July. Was again for a time Vice-President of the Assembly, but in December was appointed to Constantinople as delegate of the Ministry for Foreign Affairs, which post he held until June 1924, having previously opted for his Deputyship for Constantinople to which he had been elected in the previous year. Proceeded to Europe and gradually became associated with Refet Pasha and Reouf

and Jambulat Beys in their opposition to Mustafa Kemal. In November he resigned from the People's Republican party and became vice-president of the Executive Bureau of the new reformed Progressive party. In February 1926 he resigned his Deputyship nominally on grounds of ill-health, having been resident in London in the previous year. In August 1926 he was tried by default for participation in the plot against the life of the President, but was acquitted and in December it was rumoured that he had asked from Angora permission to return to Turkey.

Adnan Bey is a tall, pleasant man, with a delicate constitution. Is cultured and speaks French well. Moderate in his views and owes much to his reputation for honesty and to his being the husband of Halidé Edib Hanum, the well-known Turkish novelist. Was a strong supporter of Mustafa Kemal in the early stages of the Nationalist movement, but his moderate and anti-Bolshevist sentiments made him suspect.

Ahmed Ferid Bey.

Born at Broussa in 1875. Passed through Harbié Military College in 1898 with rank of staff captain. Later went to Paris and studied at School of Political Science. Only returned to Turkey after 1908. Joined the Committee of Union and Progress and became Deputy for Kutahia. In 1910 joined the *Entente libérale* party and was exiled by the Committee of Union and Progress in 1913. He made his peace with Talaat Pasha in 1915 and became consul-general at Kiev in November 1917. Recalled in December 1918, he resumed attacks on the Committee of Union and Progress. In 1919 was Minister of Public Works and of Finance under Damad Ferid Pasha. He resigned in July owing to his desire to reach an understanding with Mustafa Kemal. Joined the Nationalist cause in April 1920 and soon afterwards became Minister of Finance. In September 1920 attended the Baku Congress and soon afterwards appeared rather pro-Bolshevik. In November 1921 was appointed representative of the Angora Government at Paris, which post he held till February 1923, when he was recalled because of certain offensive remarks made regarding the Allies. In spite of opposition in the Assembly, he became Minister of the Interior in October 1923. Was the subject of many attacks both in the Assembly and the press, but continued to hold the post till May 1924. Appointed Ambassador at London in June 1925.

Ferid Bey speaks good French and Arabic. A thorough opportunist and rather unscrupulous.

Ahmed Muhtar Bey.

Born at Constantinople in 1871. Studied at French school and Military College in Constantinople. In 1891 received a post in the Consular Department of the Ministry for Foreign Affairs, in due course becoming its sub-Director-General. In May 1919 consul-general at Budapest. In 1912 Minister at Athens. Joined the Committee of Union and Progress and in 1913 was for a short time Minister for Foreign Affairs. In 1917 Minister at Kiev. Returned to Turkey in March 1919. Became Deputy for Constantinople. Escaped to Anatolia in June 1920 and joined the Nationalist movement. In June 1923 elected Deputy for Constantinople, and in the same year appointed Ambassador at Moscow. In October 1924 he opted for his Deputyship and returned to Turkey. Since November 1923 has been secretary of the Foreign Affairs Commission of the Assembly.

Muhtar Bey is a man of the world. Speaks French fluently. More than average intelligence. Is credited with strong Russian sympathies.

Ali Bey.

Born about 1875, native of Afion Kara-Hissar. During the war fought in the Caucasus and Mesopotamia and against the Greeks at Aivalik. Was deported to Malta in 1920. In 1923 elected Deputy for Afion Kara-Hissar, and became one of the chief organisers of the People's party. In March 1924 became chief organiser of the party in Constantinople. In November became vice-president of the People's Republican party, which post he still holds. In March 1925, appointed president of the Angora Independence Tribunal, and later in the year shot Halid Pasha in a brawl in the Chamber, but no action was taken against him. In 1926, as president of the tribunal, took the leading part in the Committee of Union and Progress trials arising out of the plot against the President. In November became president of the National Defence Commission of the Assembly. Described by a British visitor to Angora as resembling a benevolent Scotch elder.

Ali Fethi Bey.

Born at Ochrida, Macedonia, in 1877. Graduated from military school in Constantinople in 1903, and saw service in Macedonia. Became an ardent Committee of Union and Progress adherent and took charge of Abdul Hamid on the expulsion of the latter to Salonica. 1910–13 military attaché at Sofia and 1913–17 Minister there. Was for a short time Minister of the Interior in autumn of 1918, and soon after was deported to Malta for political reasons. Released in April 1921, he proceeded at once to Anatolia and became Minister of the Interior. In July–August 1922 proceeded on a mission to Paris and London. In 1923 elected Deputy for Constantinople and during two months was President of the Council of Ministers, which post he resigned on emergence of republican issue. In November became first President of the Assembly. In March 1924 was regarded as being identified with the Opposition when the question of the President's powers was under consideration. In May, chief Turkish delegate for Mosul discussions in Constantinople. Represented Turkey before the League of Nations in September and later proceeded to Brussels again in connection with the Mosul question. Became President of the Council for the second time and in November also held the Portfolio of Defence. His period of office was marked by moderation and he had the support of the Oppositionist Progressive party. In March 1925, on the outbreak of the Kurdish revolt, his Government fell because of his alleged lukewarmness in dealing with the rebels and in the same month was appointed Turkish Ambassador to Paris.

Fethi Bey speaks good French and is essentially a moderate. Has an attractive wife.

Ali Fuad Pasha.

Born in Constantinople in 1882, of Cretan origin. Graduated from the military school in 1905, and since then has followed a military career. 1908–11 military attaché at Rome. During the war fought on the Caucasus and Palestine fronts. Was one of the first Turkish generals to join the Kemalist movement, and throughout was one of Mustafa Kemal's most trusted leaders, though he was at times inclined to take an independent line. In 1920 was appointed Kemalist Ambassador at Moscow, and was chiefly instrumental in securing the signature of the Turco-Russian Treaty of March 1921. Was recalled in April 1922 owing to an incident in the Embassy in Moscow, and resumed his military command. In 1923 was elected Deputy for Angora and Vice-President of the Assembly. Later became inspector-general at Konia, but resigned his post in October 1924, by which time he had become completely associated with the Reouf–Adnan–Refet Opposition group. In November he resigned from the People's party and became secretary-general of the new Progressive party. In 1926 was arrested and tried at Smyrna for alleged participation in the plot against Mustafa Kemal Pasha, but was acquitted. Believed to be still actively engaged in the Opposition movement. His reception by the President of the Republic in November gave rise to much speculation.

Ali Fuad Pasha has a reputation for honesty. During the war was not on good terms with the German commanders, and during the armistice period was believed to be violently anti-British.

Ali Jenani Bey.

Born in 1885 at Aintab, which he represented in the Constantinople Parliament. Was deported to Malta in 1919 on a charge of complicity in the massacres of Armenians at Aintab. On being released, he joined the Kemalist movement and has been Deputy for Aintab since 1921. In November 1924 became Minister of Commerce. In 1925 his commercial legislation showed that he was leading the ultra-Nationalist movement against Christian employees and foreign capital. In May 1926 he resigned owing to reported differences with the Minister of Finance. Is the leading business man in the Aintab area, and in business circles is considered as honest and go-ahead. Is rich and influential, but a poor speaker, and has also been described as active, resourceful and wily. His two daughters have received an American college education.

Bekir Sami Bey.

A Circassian, born in the Caucasus in 1868. His family later settled in Amassia. Educated in Constantinople and at the Law School in Paris, where he remained for twelve years. Joined the Young Turks on his return to Turkey in 1898. Was given

a Government post in Tripoli. Vali of Tripoli in 1908, of Trebizond in 1910, of Broussa in 1910, of Beirut 1910–11, and again of Trebizond 1911–12. Vali of Aleppo from 1914–16. Proceeded to Angora in April 1920, and was immediately appointed Minister for Foreign Affairs. Later in the year made several visits to Russia, and in February 1921 headed the Angora delegation to the Peace Conference. Visited London, Paris and Rome. Resigned on his return to Angora. In 1923 was elected Deputy for Tokat. In the following year his Opposition tendencies became pronounced, and in November he left the People's party to join the newly-formed Progressive party. In 1926 he was tried at Smyrna for participation in the alleged plot against the President of the Republic, but was acquitted. Is a colossally built man, tall and stout, with a slight impediment in his speech. Liberal and energetic, and, apart from his violent Russophobia, moderate in his opinions.

Fahreddin Pasha.

Born at Constantinople in 1881. Educated at the military school, where he was a class-mate of Enver Pasha. 1909 in command of troops against the Kurds near Dersim. Later became an active Committee of Union and Progress adherent, and in 1910 chief aide-de-camp to the War Office. Held various staff appointments before becoming Under-Secretary for War in 1915. In 1916 commanded the Turkish Division in Galicia, and in 1918 served on the Palestine front. Joined the Nationalist cause in January 1920. Later in the year secured the command of the XIIth Army Corps, which he retained until the final success of the Turks over the Greeks. In 1923 was elected Deputy for Smyrna and became Commander of the Vth Army Corps. In October 1924 resigned his Deputyship on opting for military duties. In November 1924, on the resignation of Ali Fuad Pasha, became one of the three military inspectors-general, and in August 1926 was promoted Divisional General of the First Class, thus holding a higher rank than any of the Opposition Pashas.

Fahreddin Pasha has been described as a rough diamond, though honest.

Fevzi Pasha, Mustafa.

Born in Constantinople in 1874. Graduated from the military college in 1898. Saw service in Macedonia. From then until 1913 held numerous staff appointments. During the war fought at Gallipoli, in the Caucasus and in Palestine, and was Chief of the General Staff 1918–19. In November 1919 was sent on a mission to Anatolia by the Constantinople Government and established relations with Mustafa Kemal. Held the Portfolio of War in the Constantinople Government during February and March 1920. He was throughout in close touch with Mustafa Kemal, and on his resignation he went to Anatolia and was at once appointed Minister for National Defence. Played a large part in building up the Kemalist army and in organising transport and the production of ammunition. In 1921 he became for a time rather a back number, but later re-established his position and became Chief of Staff. In 1923 was elected Deputy for Constantinople, and since then has been annually reappointed Chief of Staff. Resigned his Deputyship in October 1924 on opting for military duties.

Fevzi Pasha had the confidence of Enver Pasha during the Great War, and is now understood to have that of Mustafa Kemal. Reputed to be a capable officer, especially in matters relating to administration. Regarded by Halidé Hanum as a good soldier, but nothing more. Has considerable influence with the army. Was in his time a pan-Turanian as well as a pan-Islamist, and on the abolition of the Caliphate was regarded as the only rival of Mustafa Kemal Pasha, of whose manner of life he is understood strongly to disapprove. Was regarded as the leader of the war party at Angora during the Mosul crises. Old-fashioned. Keeps his womenkind secluded.

Hamdi Bey, Mehmed.

Born about 1880. During the armistice was head of the Refugee Section of the Ministry of Interior in Constantinople. In 1923 was elected Deputy for Erzinjian. In 1924 was assistant Turkish delegate for the exchange of Turco-Greek populations, and in 1923 became chief delegate on the appointment of Tewfik Rushdi Bey as Minister for Foreign Affairs. Negotiated the Turco-Greek Agreement of 1925, and in June was appointed Minister at Vienna. Short and stoutish. Hamdi Bey speaks French moderately well and is intelligent and moderate.

Hamdullah Subhi Bey.

Born in Constantinople in 1881. Educated at Galata-Serai College. In 1901 entered Ministry for Foreign Affairs as a clerk. Remained there till 1908 occupying himself in writing poetry. After the Constitution continued his literary efforts and was the founder of a society of young poets which developed into the Turk Ojaghi. In 1910 appointed Professor of Turkish Literature at the Stamboul University. Was for a time in opposition to the Committee of Union and Progress, but after the Balkan war was on good terms with the Unionists. Later became the leading propagandist of pan-Turanianism. Travelled in Germany during the war. In the early armistice was anti-British and pro-Italian. In April 1920 joined Mustafa Kemal at Angora. Later in the year was for a time head of the Kemalist Intelligence Service. January–April 1921 Minister of Public Instruction. In April became Vice-President of the Assembly and occupied himself chiefly with the pan-Islamic Congress then held in Angora. Was again Minister of Public Instruction during the latter half of 1921, and was one of the first of the Angora leaders to make a speech against the Sultan. In 1923 was elected Deputy for Constantinople and later president of the Turk Ojaklari to which he devoted most of his time and energy. During 1923 was president of the Foreign Affairs Commission of the Assembly and from March till December 1925 was again Minister of Public Instruction, resigning finally on grounds of ill-health.

Hamdullah Subhi Bey is an idealist of the pan-Turanian school, and is the moving spirit of the Turk Ojaklari. He is a keen moderniser and does not believe that the Turk is a religious person. Is not possessed of private means and his honesty is above reproach.

Hassan Bey.

Born in Trebizond in 1884. Of Laz origin. Educated in Constantinople and in Paris, where from 1909–14 he studied at the School of Political Science. During the war was head of the Economic Section of the Food Supplies Directorate and in December 1919 became Deputy for Trebizond. Joined the Kemalist movement in March 1920, and in May 1921 became Minister of Finance, holding the post till April 1922. By this time he was apparently very pro-Bolshevik in sympathy. From May till July 1922, Minister of Economics and Public Works. In November was appointed member of the Turkish delegation to the Lausanne Conference, when he acted as financial expert. September 1923 was again Minister of Economics. In March 1924, Minister of Commerce, and in March 1925 again Minister of Finance, resigning in July 1926 ostensibly on grounds of ill-health.

Hassan Bey fancies himself as an expert in matters pertaining to finance. Knows French fairly well; is a man of private means, wily and has a sense of humour.

Hassan Fehmi Bey.

Born in Gumushhané in 1877. Educated at Constantinople and from 1902 to 1910 held various posts in the Turkish Civil Service. In 1910 Governor of Kerassund and in 1912 of Gumuljina. 1913–18 Deputy for Gumushhané. Joined Mustafa Kemal in April 1919. In 1920 Vice-President of the Assembly. In April 1922 was Minister of Finance. In 1923 elected Deputy for Gumushhané. August 1923 till January 1924 again Minister of Finance, resigning because of a dispute over the Anatolian Railway question. November 1924 till March 1925 Minister of Agriculture. December 1925 became one of the Government delegates on the Board of the Ottoman Bank.

Hassan Fehmi Bey is not regarded as a strong man, and during his occupation of ministerial posts was little more than a nominee of Mustafa Kemal.

Hulussi Fuad Bey.

Born in 1885 in Constantinople. Member of the Turkish diplomatic service. Was employed at Berlin and Vienna during the war, and at Christiania in 1923, when he received an appointment in the Ministry for Foreign Affairs at Angora. May 1924 became "chef du cabinet" of Adnan Bey, delegate at Constantinople of the Ministry for Foreign Affairs. In October went to London as a member of the Turkish delegation to the Congress of the League of Nations Societies. Resigned in March 1923 for reasons unknown, though suggested that (1) he had outshone Nusret Bey, (2) he was not fully sympathetic with Angora. In May appointed Chargé d'Affaires at Tokyo.

Hulussi Fuad Bey is a son of "Deli" Fuad Pasha, and his wife, who is a pleasant woman, is an excellent linguist and is a daughter of Mahmud Muhtar Pasha. He is pleasant to deal with, accustomed to European ways, enjoys a good cigar, is very clever and believed to be fairly straight.

Husref Bey.

Born in 1884. A soldier *de carrière*, and during the war was on the staff of the Caucasian army. During the early part of the Nationalist struggle was private secretary to Mustafa Kemal Pasha. February 1921 was a member of Bekir Samy Bey's mission to Paris, London and Rome. In July 1923 was elected Deputy for Urfa. May 1924 became Minister at Budapest. Later resigned his Deputyship on opting for his Legation. In August 1926 was appointed Minister at Sofia.

Hussein Jevad Bey.

Born in Constantinople in 1886. Educated at Galata Serai College and entered the Ministry for Foreign Affairs in 1898. Appointed to Vienna (1899), Athens (1901), Cettinje (1905), St. Petersburg (1907), London (1909); Minister at Cettinje (1911) and at Belgrade (1913). 1917–19 was Minister at Stockholm, 1920–22 at Berne. In 1923 was appointed by Angora to Bucharest. Transferred to Paris in November 1924, his speech on presenting his credentials in February 1925 was much criticised in the Assembly and he was recalled. In April was appointed Minister at Athens.

Hussein Jevad Bey is affable and very popular. Believed to be honest and well intentioned. Is rich and unmarried; knows French and German excellently, speaks English, plays golf and was responsible for its introduction into Montenegro.

Hussein Reouf Bey.

Born at Constantinople in 1877. Educated at the Halki Naval College. Was for some years on the staff of Bucknam Pasha, and in 1910 became commander of the "Hamidieh," whose activities were famous during the Balkan war. At the outbreak of the Great War was in England supervising the building of the "Reshadieh," of which he was to have had the command. Endeavoured to prevent Turkey's entry into the war. Was for a time Chief of the Naval Staff, but spent most of the war period in Switzerland and Berlin. Was one of the Turkish signatories of the Mudros Armistice, and for a month, October 1918, was Minister of Marine. During 1919 was in touch with Mustafa Kemal. Returned to Constantinople early in 1920, and in March was arrested and deported to Malta for political reasons. Released in November 1921, he immediately proceeded to Angora, becoming Minister of Public Works, but resigned two months later, probably owing to differences with Mustafa Kemal. March 1922, became Vice-President of the Assembly, and soon showed himself to be the leader of the Moderate party. In May he showed strong anti-Bolshevik sympathies, and, his prestige rapidly growing, he was in July elected by the Assembly to be President of the Council. At this time Mustafa Kemal was understood to be very jealous of Reouf's power. In November he became Acting Minister for Foreign Affairs. In July 1923 elected Deputy for Constantinople. Resigned the Presidency of the Council in August because of reported differences with Mustafa Kemal. On the Caliphate question arising in 1923, Reouf Bey showed increasing signs of opposition, and by October was the real leader of the Opposition. In November he resigned from the People's party and was elected vice-president of the new Progressive party which was abolished in March 1925. In the spring of 1926 he went abroad, and in June was in London in the company of Adnan Bey. In August was tried by default on charge of participation in the plot against Mustafa Kemal and was sentenced to ten years' confinement in a fortress. In the autumn it was understood that he was still engaged in Opposition activities.

Hussein Reouf Bey is the leader of the Opposition to Mustafa Kemal Pasha. Speaks excellent English and also French and German. Is essentially a Moderate, and prior to his deportation to Malta was decidedly pro-British. As a result of his treatment, however, his feelings became very bitter, but this phase has now passed and he has reverted to his pro-British sympathies.

Ibrahim Tali Bey.

Doctor by profession, and served in that capacity during the Great War. Later became Turkish consul at Batum. In February 1924 it was rumoured that he would succeed Adnan Bey as representative of the Ministry for Foreign Affairs at Constantinople, but instead he went to Salonica to investigate alleged abuses on the part of the Turkish consul there. In April was appointed Minister at Warsaw. January 1926 elected Deputy for Diarbekr and returned to Angora in the following month. In May became Inspector-General of the People's party in Constantinople, and as such has very extensive powers. Is reported to have pronounced Bolshevik sympathies.

Ismet Pasha.

Born in 1880 at Smyrna, where his father was a small landed proprietor. Educated at the Military College, and from 1906–12 saw service in Thrace and the Yemen. Joined the General Staff in 1914. 1915–16, Chief of Staff of the Caucasus army. 1917–18 in Palestine, and became Under-Secretary for War in the autumn of 1918. Early showed Nationalist sympathies and joined Mustafa Kemal in March 1920, at once becoming Chief of Staff of the Nationalist forces. Assumed command of the Western army in December 1920 and was chief Turkish delegate at the Mudania Conference in October 1922. In the same month was appointed Minister for Foreign Affairs, and in November went to Lausanne as chief Turkish delegate. Signed the Treaty of Lausanne on behalf of Turkey in July 1923, and in October became Prime Minister, retaining the Portfolio of Foreign Affairs. At the same time Mustafa Kemal delegated to him the functions of president of the People's party. During 1924, owing to his ill-health, his Administration became more and more unpopular, and he resigned in November. On the outbreak of the Kurdish revolt in March 1925, he was again summoned to power by Mustafa Kemal, and has since been Prime Minister, though in August 1925 it was understood that his relations with the Ghazi had become strained owing to his opposition to the divorce of Latifé Hanum.

Ismet Pasha, in his army days, was regarded as an exceptionally capable staff officer, an indefatigable worker, and was, to a large extent, responsible for the final Nationalist success against the Greeks in 1922. At Lausanne he showed himself a stubborn but able negotiator. Is courteous, and never shows signs of being ruffled, but suffers from deafness, which, however, he probably finds convenient at times. Is the only one of the prominent early Nationalist leaders who has retained the confidence of Mustafa Kemal, and remains, as he has been for the last four years, the President's right-hand man. According to Halidé Hanum (July 1926), "he subordinates himself entirely to the Ghazi, and only wants to hang everybody."

Jafer Tayar Pasha.

Born in 1883 at Prishtina, Albania, of poor parents. Educated by the charity of an Albanian, who sent him to the military school. Saw service in Macedonia, and in 1907 became a member of the Committee of Union and Progress. Served at the Dardanelles, and in 1918 had command of the forces in Northern Caucasus. Early in the armistice he showed himself violently anti-British, and formed a military organisation at Adrianople with which, in 1920, he threatened to resist the occupation of the town by the Greek army. From then onwards was known as the hero of Adrianople, and in 1923 became Deputy for the town. In 1924 he commanded the troops in the eastern vilayets, but his enthusiasm for Mustafa Kemal began to cool, and in October he resigned his military duties to take up those of a Deputy. In December left the People's party and joined the Opposition Progressive party. In July 1926, along with Ali Fuad, Refet and Kiazim Kara Bekir Pashas, was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted, largely, it is understood, owing to the fear of the authorities of his influence with the army.

Jafar Tayar Pasha is a strong patriot, just and honest, and, as a result of his Adrianople experiences, is violently Græcophobe.

Jemil Bey.

Born about 1885. Has followed a military career. About 1906 was "commandant de la place" at Salonica, and at that time saved Mustafa Kemal from arrest by Abdul Hamid's secret police. During the armistice, when he held the rank of staff lieutenant-colonel, was in command of the defence forces against the Greeks at Chatalja. In July 1923 elected Deputy for Rodosto. In May 1924 appointed general-secretary of the People's party, and in January 1925 became Minister of the Interior, a post which he still holds.

Jemil Bey is reserved and intelligent and speaks only a little French. Has done well since attaining Ministerial rank, and is understood to be one of the more influential members of the Cabinet.

Jevad Pasha.

Born in Constantinople in 1873. Educated at the Galata Serai College and at the Military School. In 1893 aide-de-camp to the Sultan. Later sent to Germany to complete his military studies, and on his return secured rapid promotion owing to his father's influence at the palace. In 1913 appointed General Officer Commanding the Dardanelles defences, and was in command of the Palestine army at the time of the Turkish collapse in 1918. In November 1918 became Chief of General Staff, and in December was Minister for War. Obstructed the Allies during the early armistice, and from the first was one of the strongest and cleverest of the Nationalist supporters in Constantinople. From October 1919 till January 1920 was again Chief of the General Staff. In March 1920 was arrested and deported to Malta. Released in October 1921, he at once proceeded to Angora, and in January 1922 was given the command of the Turkish troops near the Iraq frontier. Elected Deputy in July 1923, he at first took no part in the proceedings of the Assembly having in the meantime been appointed military inspector-general in the eastern provinces. In October 1924 was in supreme command of the Turkish forces on the Iraq frontier when the *status quo* difficulty arose. Later in the month he resigned from his military duties in order to take up his Deputyship. Resigned from the latter two months later. In January 1925 was attached to the Iraq Frontier Commission in the capacity of assessor, and showed himself petulant and irascible. In September and December was attached to the Turkish Mosul delegation to Geneva. In April 1926 became a member of the Supreme Military Council, and in August was promoted to the rank of general of the first class.

Jevad Pasha knows French and German well. Is very Germanophil and something of an opportunist. Has good manners, is well educated and is a capable administrator. He is old-fashioned, drinks little, and says his prayers, but is stated to be jealous of Mustafa Kemal Pasha, who served under him at the Dardanelles.

Jevad Abbas Bey.

Born about 1890. Early in 1919 became aide-de-camp to Mustafa Kemal, and at the same time was elected Deputy for Bolu. Had control over the activities of the Nationalist secret agents throughout 1920. In July 1921 went on a mission to Bulgaria with a view to organising trouble in Thrace, and in December became unofficial Kemalist representative at Sofia. He returned to Angora early in 1922, and in the autumn was one of the instigators of the Turkish insurrectionist movement in Western Thrace, directed against Greek rule. In 1923 was re-elected Deputy for Bolu, and at the end of the year there was much talk and intrigue in regard to his proposed definite appointment as Turkish Minister at Sofia. In 1924 was president of the Turkish Aeroplane Association, in the interest of which he showed great activity; maintains close contact with the President of the Republic.

Kiazim Pasha.

Born at Diarbekr in 1879. Educated at the Military School. 1904–08, employed at the Ministry of War. 1909–12 and again 1913–14, military attaché at Rome. 1915, Chief of Staff of the 1st Army at the Dardanelles, under Liman von Sanders, whom he accompanied throughout the war, and finally to Palestine. In November 1918, became Director of the Military Council. Showed no violent anti-Ally feelings during the armistice, and in June 1920, after joining in an effort to secure a reconciliation between Angora and Constantinople, joined Mustafa Kemal, though at the time expressing the continuation of his sympathy with Great Britain. In October 1920 was appointed Director-General of Administration of the Kemalist Western Army, and in October 1921 Under-Secretary of National Defence. In 1922–23 was in command of the Turkish troops on the Chanak front. In October 1924 succeeded Jevad Pasha as an inspector of the IIIrd Army. In the spring of 1925 was in charge of the troops for the suppression of the Kurdish revolt, and in June resigned his military inspectorate.

Kiazim Pasha was highly esteemed by Liman von Sanders, and is an industrious well-trained and efficient officer. He is not a political intriguer, has moderate views, and has never expressed a preference for any particular party.

Kiazim Pasha Keuprulu.

Born at Veles about 1884. Has followed a military career and was early a staunch adherent of the Committee of Union and Progress. Held various commands in the eastern vilayets, and during the war was Director-General of Administration to Ali Fuad Pasha. In July 1919 was in command of troops at Balikesser and there worked for the Nationalist cause. In the autumn raised irregular bands round Panderma to support Mustafa Kemal, who appointed him Governor of the Balikesser area in January 1920. In June was given command on the northern front, and after the battle of Sakaria was promoted Pasha, becoming in the following month, January 1922, Minister of National Defence. Held this post till November 1924, when he became President of the Assembly, a post which he still holds. In August 1926 was promoted to be divisional general of the first class.

Kiazim Pasha is fairly well educated and speaks fair French. He is considered to be tenacious though reasonable, but he does not strike one as a strong character. Has poor health. Is anti-German and anti-Bolshevik, and during the Nationalist struggle made it clear that he was anti-Greek as distinct from anti-Ally.

Kiazim Kara Bekir Pasha.

Born at Monastir in 1878 of poor parents. Has throughout his life followed a military career. Held numerous staff appointments during the war. Immediately after the armistice was given command of the XVth Army Corps at Erzerum, where in 1919 he established contact with Mustafa Kemal, definitely joining the latter in September. Showed himself to be an opponent of the Kurdish Independence movement. In 1919–20 was responsible for the consolidation of the Nationalist position in the eastern vilayets and for the repression of the Armenians. At the same time was closely in touch with Bolshevik agents. Was throughout inclined to act independently of Angora, and for a time his relations with Mustafa Kemal were strained. In September 1921 represented Turkey at the Kars Conference, when he incurred the displeasure of Angora by being too pro-conciliatory to the Bolsheviks, and also probably because of his great influence in the eastern provinces. In 1922 was given full powers in the eastern provinces, and for a time was in touch with Enver Pasha. Finally arrived at Angora in October 1922, and after being for a time unemployed—probably owing to the jealousy of Mustafa Kemal—became one of the military inspectors. Elected Deputy for Constantinople in 1923, he resigned his military duties in October 1924. Joined the Opposition; resigned from the People's party in November, when he became president of the new Progressive party which was suppressed in March 1925. He continued his Opposition activities, and in July 1926 was arrested and tried at Smyrna for participation in the plot against the Ghazi, but was acquitted probably owing to his influence with the army, which it was later stated wished to make him the leader of an Opposition movement. Colonel Rawlinson says: "Kiazim Kara Bekir Pasha is the best example of a first-class Turkish officer that I have met. Any army under him will be well commanded." Possessed of a naturally quick and bright intelligence, he is master of every branch of his profession and most conscientious in the performance of his duties. Is straightforward, and much of the Nationalist success is due to his competent handling of the Eastern Army. In the past has been described as "M. Kiazim Facing-both-ways." There is, however, no doubt of his still having great influence in the Turkish army.

Mahmud Essad Bey.

Born at Smyrna in 1896. Studied law in Constantinople and Switzerland, obtaining his degree in Freibourg in 1911. In 1912 established himself in Smyrna as a lawyer and remained obscurely there till 1919. In May 1920 went to Angora, and in the following month was appointed Deputy for Smyrna and still retains this seat. In May 1922 published a violent article against the Sublime Porte and the Sultan, and in June became secretary of the Foreign Affairs Commission of the Assembly. In July became Minister of Economics, holding the post till September 1923, when he retired to Smyrna and was understood to have become an Oppositionist. In March 1924 opposed the grant of veto and dissolution powers to the President of the Republic. In November became Minister of Justice, a portfolio which he still holds. In August–September 1926 Acting Minister for Foreign Affairs during the absence of Tewfik Rushdi Bey at Geneva.

Essad Bey speaks French and German as well as Turkish and Greek. He is considered to be one of the best Turkish specialists in Constitutional Law. He

showed great energy in introducing Penal, Commercial and Civil Codes based on Western models, the latter of which revolutionises Turkish family life.

Mehmed Rejeb Bey.

Born about 1880. An ex-army officer. In 1922 became secretary-general of the People's party, and as such had considerable power. In July 1923 elected Deputy for Kutahia. In May 1924 became Minister of Interior and resigned from the secretaryship of the People's party. In the autumn of 1924 was considered one of the leading men of Ismet Pasha's Cabinet and a likely candidate for the premiership, but was maintained in his post on Fethi Bey becoming Prime Minister in November. In January 1925 resigned owing to his objections to the Cabinet proposal to appoint Prefects by election, and resumed his post as general secretary of the People's party. In March, on the return of Ismet Pasha to power, became Minister for National Defence, a post which he still holds.

Mehmed Rejeb Bey was unknown until the later years of the Nationalist struggle, and owes his position to his friendship with the President of the Republic. He is decidedly intelligent, ambitious, and is stated to have a perpetual desire to become Prime Minister. According to Halidé Hanum, he is ready to serve in any capacity as a mere tool of the Ghazi.

Mustafa Kemal Pasha.

Born in 1880 at Salonica, son of an Albanian father and Turkish mother. Had an entirely Turkish upbringing, and was educated at the Mulkié school at Salonica and at the Military College in Constantinople, from which he passed out with the rank of captain in 1905. In 1907 he was for a time exiled to Damascus. Receiving a staff appointment at Salonica, he early joined the Committee of Union and Progress, and was at Salonica when the Constitution was proclaimed. Soon after quarrelled with the Committee of Union and Progress. 1910–11 served in Tripoli; 1913 became aide-de-camp to the Heir Apparent and military attaché at Sofia. In October 1914 was given a command at Gallipoli and distinguished himself at Anafarta in 1915, when he alone saved the situation in defiance of von Sanders's orders. Later in the same year he fell foul of Enver Pasha and remained unemployed till 1917, when he was given a Caucasus command. In 1917–18 had twice command of the VIIth Army on the Palestine front, but quarrelled in turn with von Falkenhayn, Liman von Sanders and Enver Pasha. In May 1919 was sent to Anatolia to stem the rising tide of nationalism, and on his arrival at Samsun immediately assumed leadership of the movement. On the 18th July announced his resignation from the army and devotion to the Nationalist cause, and on the 27th summoned the first Nationalist Congress at Erzerum. In November summoned the second Nationalist Congress at Sivas and in December at Angora. During the following months he tried to dictate to the Constantinople Government, and in April 1920 established an independent Government at Angora. In May became President of the First Assembly and proceeded to organise the Nationalist army. In 1921 received Russian and Afghan Ambassadors at Angora, and in November was vested with absolute authority for the prosecution of the war. Early in 1922 had some difficulties with the Assembly, but his dictatorship was successively prolonged for limited periods, and with the Nationalist victory over the Greeks in August–September his ascendancy was complete. In November secured from the Assembly the abolition of the Sultanate. This step gave rise to opposition in the Assembly, and he dismissed it in April 1923. In the following election Kemalist nominees were to a large extent elected, Mustafa Kemal himself becoming one of the Deputies for Angora. In August was re-elected President of the Assembly, and in October, on the emergence of a Cabinet crisis, had a republic proclaimed with himself as President. Early in March 1924 decreed the abolition of the Caliphate, though in the same month the right of veto was refused to him, while in April the supreme command of the army in time of peace was vested in the Chief of General Staff. Since that time the President has inspired the policy of the Government, and in all essentials controlled the Administration through his nominees. Though in many respects his policy is but a continuation of that of the Committee of Union and Progress, the drive which has put the recent great innovations through has been mainly his own. He has made numerous tours in the provinces, but has not visited Constantinople. In August 1925 he divorced his wife, Latifé Hanum, whom he had married in 1922, and in the same month he decreed the abolition of the fez.

During the summer of 1926 a plot to assassinate him was discovered at Smyrna, and as a result a number of Opposition leaders were hanged.

Mustafa Kemal Pasha is about 5 feet 7 inches tall, with a sallow complexion and steel grey eyes with a fixed expression. Has strong regular features and is now inclined to stoutness. Possesses an impressive delivery in speech-making, but has little personal magnetism. He is a driver rather than a leader of men, is jealous of superior brains, and can brook no opposition, as the record of his life shows. From his early days he has been an excessive drinker, and is still given to frequent excesses. Is, however, possessed of an iron will and constitution. In the opinion of Halidé Hanum (August 1926) he is partly mad, doomed to destruction within two years, and likely, when the moment comes, to show the white feather.

Munir Bey, Mehmed.

Born about 1875. Educated at the Mulkié College and Law School at Constantinople. After obtaining his diploma of doctor of law, was appointed one of the assistant legal advisers of the Sublime Porte, holding this post till 1916, when he became chief legal adviser. As such attended the Conference of Brest Litovsk. Accompanied Izzet Pasha on the reconciliation mission to Anatolia in December 1920. At once placed his services at the disposal of the Nationalist Government and became legal adviser. Was Turkish legal adviser at the Lausanne Conference and returned to hold the post at the Ministry for Foreign Affairs till February 1925, when he was appointed Turkish Minister at Berne.

Munir Bey is a pretty good lawyer and rather the simple old-fashioned kind of Turkish official. He has a reputation for honesty, and created a good impression on the British delegates at the Lausanne Conference.

Nejati Bey, Mustafa.

Until recent years was a small lawyer in Smyrna. In 1923 was elected Deputy for Smyrna, and in October became first Minister of Reconstruction in the Angora Government. In March 1924 became Minister of Justice, holding the post till November. In March 1925 was appointed general prosecutor of the Independence Tribunal formed in connection with the Kurdish revolt, but resigned owing to the wide powers which it was proposed to confer on the court. In December became Minister of Public Instruction, a post which he still holds. Of limited enlightenment. Knows no French and has probably never been out of Turkey. Not over scrupulous, but energetic and forceful. A keen moderniser and a companion of the Ghazi.

Nureddin Pasha.

Born at Constantinople in 1875. On leaving the military school in 1894 became an aide-de-camp to Sultan Abdul Hamid, remaining at the Palace till 1909. During the war fought at the Dardanelles and commanded in Iraq, where his success is said to have aroused the jealousy of Enver Pasha. Became Military Commandant of Smyrna in 1918 and Vali of the town in February 1919, but only held this post for one month. In May 1920 offered his services to bring about a reconciliation between Angora and Constantinople. Joined Mustafa Kemal in the following month. In command of the IIIrd Army Corps at Sivas in April 1921, but was dismissed in November for hanging certain Kurdish chiefs. In September 1922 was in command of the 1st Army which captured Smyrna and as Governor-General of the town can hardly escape responsibility for the burning of it. At this time was opposed to the extreme section of the Nationalists, who favoured radical dynastic changes, and by the end of the year he had become unpopular with Mustafa Kemal. Throughout the winter, however, he had command of the Turkish troops in the Ismid sector. In July 1923 was dismissed from the command of the IIIrd Army and owing to his Opposition tendencies failed to secure election as a Deputy. He retired to Broussa and remained there till December 1924, when he was elected Deputy even though standing as an Oppositionist. In the following month his election was invalidated on technical grounds, but at a new election he was returned almost unopposed. In November 1925 he spoke strongly in the Assembly against the law making the wearing of the hat compulsory, but since then has kept very quiet, taking no part in its debates.

Nureddin Pasha is extremely deliberate and dignified in his manner. Is somewhat vain, but a capable soldier, straightforward and honest. Is one of the best Turkish chessplayers, old-fashioned, reactionary and out of sympathy with the President's modernising tendencies in Turkey.

Nusret Bey.

Born about 1878, of south Albanian origin. Educated at the Mulkié College at Constantinople, after which he followed a course of jurisprudence at the law school. In 1903 became a clerk in the Legal Adviser's Department at the Sublime Porte, and rose to be one of its assistants. In 1916 became director of this department. In 1921 accompanied Tewfik Pasha's delegation to London in the capacity of legal adviser. Was in the Turkish delegation at Lausanne. Continued to share with Munir Bey the duties of legal adviser of the Angora Government until 1924, when he was appointed representative in Constantinople of the Ministry for Foreign Affairs. As such he has been ready to take reasonable views, and, as far as his limited powers allowed him, he has been helpful. Presentable and courteous. Not a personality.

Nusret Bey gives lectures at the law school on international law, on which he is regarded as something of an authority. Is of a very quiet and studious disposition and his chief pleasure consists in the perusal of legal works in French. His bugbear is social functions in Pera. His womenfolk remain in seclusion.

Rahmi Bey.

Born at Salonica in 1874, his father being a rich Macedonian landowner. Studied at the Military College at Constantinople and at the schools of law and political science in Paris. While in the French capital he came in close contact with the Young Turks and at the Constitution was elected Committee of Union and Progress Deputy for Salonica. A just friend of Talaat Pasha and a most influential member of the Central Committee of the Committee of Union and Progress. In 1914 was appointed Vali of Smyrna, holding the post right through the war. Fanatical in his hatred of the Greeks. Made a show of his anti-German feelings throughout. His treatment of better class foreigners was good and Armenians suffered less at Smyrna than in any part of Turkey, but he gave the Maltese colony a bad time. Sent out off Mitylene with peace overtures in 1915. In 1919 was arrested for political reasons and deported to Malta, and on his release in 1921 proceeded to Europe. Returned to Smyrna in 1924 and took a retaining fee from British firms, but was unable to secure election as a Deputy there in December owing to his pronounced Opposition sentiments. Continued to be identified with the Opposition movement and in the spring of 1926 proceeded to Russia. In August was tried by default for complicity in the alleged plot against the President of the Republic and was sentenced to ten years' confinement in a fortress.

Rahmi Bey is extremely clever. He is specious, but untrustworthy. At Smyrna he showed himself to be a man of energy and his position was so strong that he was able to act in almost complete independence of Constantinople. Gained large sums from profiteering at Smyrna. Must still be regarded as one of the leading Oppositionists, and would almost certainly take a prominent place in the event of the overthrow of the present Turkish régime. Bitterly resentful of his internment at Malta. Well known to the British colony at Bournabat.

Refet Pasha.

Born in 1877 at Tirnova of Albanian parents. 1898–1908 was employed in the gendarmerie in Macedonia. Commanded the gendarmerie battalion of the Army of Liberation in 1908. Went to the Staff School in 1911 and was sent to Damascus in 1912. Became famous as the Defender of Gaza in 1916, and 1918 received the command of the XXIIIrd Army Corps in Palestine. At the armistice was appointed commander-in-chief of the gendarmerie, and in May 1919 commander of the IIIrd Army Corps at Sivas. Landed at Samsun with Mustafa Kemal and immediately became one of the latter's chief lieutenants. In September commanded the Nationalist forces at Konia, and in March 1920 was appointed general officer commanding on the Aidin front. In September was appointed Minister of the Interior, holding the post till April 1921. After holding various commands was Minister of National Defence from July 1921 to January 1922. After the Mudania Conference was appointed Governor of Thrace, but remained in Constantinople, where he rapidly overthrew the Sultan's Government and established Nationalist authority. In July 1923 elected Deputy for Constantinople and soon afterwards resigned his appointment, which no longer had any *raison d'être*. In the autumn began to show Opposition tendencies over the proclamation of the republic and was in close touch with the Caliph and Reouf Bey. Resigned his Deputyship in May 1924, and thereafter lived quietly in Constantinople, though maintaining close touch with Reouf and other Opposition leaders. In October withdrew his resignation of the Deputyship,

publicly joined forces with the Oppositionists, resigned from the People's party and became one of the leaders of the new Progressive party. In July 1926 was tried at Angora for participation in the plot against the life of the President of the Republic, but was acquitted supposedly because of his prestige with the army. In October he announced his abandonment of political life and in November finally resigned his Deputyship.

Refet Pasha is one of the most able of the Nationalist leaders and of considerable political ability. In 1922 at Constantinople showed himself to be an extremely keen and clever tactician. Though his private life is not above reproach, he can hardly fail to play a prominent part in any future Opposition movement in Turkey.

Sabri Bey, Mehmed.

Nothing known of his early history, but during the war was secretary-general of the Committee of Union and Progress. In 1919 was deported to Malta for his wartime activities. In July 1923 elected Deputy for Saruhan, and in August became first Vice-President of the Assembly. In March 1925 became Minister for Agriculture, and still holds that post, though during the Committee of Union and Progress trials in August 1926 his position was weakened by revelations regarding his association with the Committee of Union and Progress leaders in 1922.

Sabri Bey is of a rough but genial manner. He has great ideas about developing agriculture in Turkey. In November 1925, during a visit to Moscow, he gave evidence of strong pro-Russian sentiments

Savfet Bey.

A former staff colonel. Was on the staff of Izzet Pasha in the Yemen in 1912. During the war served at Gallipoli and in Mesopotamia. In 1920 was military attaché at Moscow. In July 1923 elected Deputy for Ismid. In March 1925 became acting secretary-general of the People's party, and in November was appointed to that post, which carries very wide influence. Is a staunch supporter of Mustafa Kemal Pasha and is very ambitious. A good bridge player and sociable

Shukri Kaya Bey.

Born about 1884 at Kos, where he still owns property. Before the war was an official of the Ministry of Justice, and in 1914, as a civil inspector, accompanied the Embassies' delegates who enquired into the Greek deportations around Smyrna. Was then of advanced ideas and a protégé of Talaat Pasha. Was deported to Malta in the early armistice, and on his liberation identified himself with Mustafa Kemal. Was a member of the Turkish delegation to the first Lausanne Conference. Mayor of Smyrna in 1923, when he was a failure. In July 1923 elected Deputy for Menteshe. Negotiated the Turco-Albanian Treaty in December. In March 1924 charged with deposit of the ratification of the Lausanne Treaty, and went to Paris and Berne. In the same month, became president of the Foreign Affairs Commission of the Assembly. In August became Minister of Agriculture, and in November Minister for Foreign Affairs. Resigned in March 1925, and was reappointed president of the Foreign Affairs Commission of the Assembly, a post which he still holds. Coarse but not unintelligent. Fairly well informed. Has probably quite as much influence over foreign policy as has the Minister for Foreign Affairs himself.

Suad Bey.

Born in 1878. Studied law in Paris, and in 1912 became secretary at the Sublime Porte. Was a protégé of Talaat Pasha, and quickly became head of the Consular and Commercial Department. During the armistice was Director-General of Administration at the Porte, but resigned on the fall of Ferid Pasha. In 1923 became Under-Secretary for Foreign Affairs at Angora, and in 1924 representative at Rome. Appointed Ambassador there in April 1925.

Suad Bey is a somewhat aggressive and tiresome person to deal with.

Tevfik Rushdi Bey.

Born about 1885 in Macedonia of Turkish parents. In 1909 was secretary-general of the Committee of Union and Progress Congress then held. Served as a doctor during the Balkan war, and was made prisoner by the Serbs. In 1920 was a member of a mission to Russia, and later, during the Nationalist movement, was the director of an Angora newspaper. Elected Deputy for Smyrna in July 1923, was

secretary of the Foreign Affairs Commission which considered the Lausanne Treaty. Later in the year was appointed president of the Turkish Commission for the Exchange of Populations, and early incurred criticism because of his alleged failure adequately to protect Turkish interests. Resigned in September 1924 over the *établis* issue, but subsequently withdrew his resignation and resumed negotiations for the conclusion of a Turco-Greek agreement. In March 1925 became Minister for Foreign Affairs and still holds that post. In the interval has proceeded to Europe on various missions, particularly in connection with the Mosul question, and signed the Angora Treaty in June 1926. During the summer his position was weakened owing to his relationship (brother-in-law) with the late Dr. Nazim, whose death sentence he endeavoured to have commuted, but this effect was apparently only temporary, and he again seemed fairly established when he met M. Chicherin at Odessa in November. In December, however, rumours of his impending resignation were current.

Tevfik Rushdi Bey is dishevelled and repulsive in appearance. He is so volatile and voluble that he appears inane. Is supposed to have Communist leanings, but probably is an utterly cynical opportunist, who is at present only too content to take his instructions from Mustafa Kemal Pasha. His wife also is undistinguished.

Yusuf Kemal Bey.

Born in 1878 at Sinope. Entered the military school, but transferred in 1901 to the school of law, from which he graduated in 1905. Practised in Constantinople and was for a short time Deputy for Castamuni, but in 1909 joined the Opposition. In 1910 resigned his seat and spent the following two years in Paris studying law. Throughout the war practised as a barrister in Constantinople. October–December 1919 was Under-Secretary for Justice, and on being sent on a mission of reconciliation to Anatolia, was won over to the Nationalist cause and did not return to Constantinople. Became Minister of Economics early in 1920. In 1920–21 proceeded on mission to Moscow and Tiflis and attended the Baku Congress. Became Minister for Foreign Affairs in May 1921, and throughout his tenure of office was in close touch with Moscow. Proceeded to Paris and London as head of the Angora Peace delegation in March 1922. Resigned in October nominally on grounds of ill-health. In July 1923 was elected Deputy for Sinope, and in the following month was president of the Foreign Affairs Commission, which examined the Lausanne Treaty. In January 1924 became Turkish Ambassador in London, but resigned in May on opting for his Deputyship. In November was a rival candidate to Kiazim Pasha for the Presidency of the Assembly, but was defeated, and since then has taken no prominent part in political life, being understood to be out of sympathy with the President of the Republic.

Yusuf Kemal Bey is a good speaker, and nourishes Bolshevik sympathies, but only in so far as these do not clash with his ideals of Turkish Nationalism.

Zekiai Salih Bey.

Nothing is known of his early history. In 1921 was a member of Bekir Sami Bey's Peace delegation to London. In the following year Turkish economic expert at the Lausanne Conference. Elected Deputy for Aidin in July 1923, he became Minister for Agriculture in March 1924. In September was appointed Ambassador to London, but was recalled early in 1925 owing to his having, on his own account, proposed a direct deal over Mosul, which he was instructed by Angora to withdraw. In May was appointed Ambassador at Moscow, and in November 1926 was present at Odessa at the interview between M. Chicherin and the Turkish Minister for Foreign Affairs.

Zekiai Bey is anti-British in sympathy, and when in London alienated Turkish sympathisers by his lack of courtesy towards them. On the make.

[E 486/486/44] No. 7.

Sir Austen Chamberlain to Sir G. Clerk (Constantinople).

(No. 71.)

Sir, *Foreign Office, January 28, 1927.*

THE Turkish Ambassador paid me his first visit to-day since his return from Angora.

He spoke warmly of the pleasure which your Excellency's appointment had given to the Turkish Government and of the relations which you had established

with them and, observing that I knew how keenly he desired to promote Anglo-Turkish friendship, he expressed himself as well satisfied with all the indications of Turkish feeling towards us which he had derived from his conversations with the President of the Republic, the President of the Council and the Minister for Foreign Affairs.

He then appealed to me to have the Turkish proposals for the settlement of the debt examined with a view to seeing whether their acceptance would not in fact be greatly in the interest of the English bondholders. He understood from conversations which he had had in Paris that the difficulties now came not from the French who held the larger interest, but from Sir Adam Block. He fully recognised that Sir Adam Block was not an official of the British Government and could not be controlled by us, but he pressed that the Turkish Government had gone so far to meet the demand of the bondholders that it would be a thousand pities if agreement were not now reached. I told his Excellency that you had written to me upon the subject and that I was having the matter examined in consultation with the Treasury in order to ascertain the exact position and see whether we could usefully offer any advice.

The Ambassador next asked for information about the differences which have arisen between the Jugoslav and Italian Governments on the subject of the Tirana Treaty, and then passed to Mr. Churchill's visit to Rome and his conversations with Signor Mussolini. All conversations with Signor Mussolini excited great attention in Turkey and gave rise to considerable apprehensions, which were fomented by the language held from time to time by Signor Mussolini in which he spoke of the need of room for the expansion of the Italian population and indicated "Africa or Asia" as possible outlets. These utterances not unnaturally alarmed the Turkish Government, which were obliged to keep on foot considerable military preparations and were forced to spend large sums of money on this purpose which they would have preferred to devote to more profitable objects. I told the Ambassador that Mr. Churchill's journey was a holiday trip undertaken on the invitation of an old friend now commanding the British fleet in the Mediterranean; that Mr. Churchill had carried out no political mission and that, though he would doubtless speak to me on the subject when he returned, his conversations in Athens and Rome had not been of such a character as to cause him to send any report of them to me. All that I had seen of his utterances in Rome was the interview which he had given to the press and which had been fully reported in the Italian papers.

The Ambassador then said that, without making any formal request, he would be glad to know whether we should be prepared to agree to the appointment of a Turkish consul-general at Bagdad. The Ambassador emphasised the fact that he did not contemplate a consul-general in Mosul. He recognised that for the present such an appointment might give rise to suspicion and have unfortunate political consequences. Turkey had considerable business interests in Bagdad; questions were constantly arising which there was no convenient machinery for treating and he hoped that I should be able to tell him that, if the proposal were formally made, it would be acceptable. I promised on this point to consult the Colonial Office, who would no doubt communicate with the Government of Iraq, and to give him a reply at a later date.

The Ambassador said that there were two or three other matters which he would like to mention to me quite unofficially and in a friendly spirit, as he had found that they created an unfortunate impression in the mind of his Government. He did not ask for any declaration on the subject at the moment: he wished merely to draw my attention to these small causes of friction. The first was that, whilst the French Government admitted Turkish subjects on an equality with the subjects of European Powers in Syria, the same treatment was not accorded to them in Egypt and Iraq, where the British Government had influence. I said that I had no knowledge of this, but that I would make enquiries about it.

The second point to which his Excellency referred was the great desire of the Turkish Government to have our Embassy at Angora. I replied that there were material difficulties in the way of a change. Angora was not a very agreeable residence and the accommodation for the Ambassador was of the most restricted kind. Your Excellency had expressed to me the intention to be more frequently at Angora than had been customary in the past and I had hoped that, in the coming year, we might begin to make some improvements in the accommodation available for you, but our finances had been very much upset by the industrial

disputes of the last twelve months and all estimates were necessarily being reduced by the Treasury to the lowest possible figure.

The Ambassador then enquired whether, besides these material difficulties, there had not been an agreement between the French Government and ourselves upon the subject. I said that that was certainly so, but it was not an agreement which was intended to bind the parties for all time, though it would of course necessitate my consulting the French Government before any change was made. I did not think it necessary to speak of the reasons which had prompted this agreement in the first instance. I thought it wiser merely to stress the material difficulties in the way of any change at the present time.

Finally, the Ambassador said that he found an impression prevailing that our consular officers in western Persia were encouraging anti-Turkish feeling amongst the Kurds. I told him that there was no foundation for this suspicion; that on the contrary I realised clearly how any action of the kind would endanger the friendly relations which had been re-established between us by the Treaty of Mosul; and that, so far from desiring to foment trouble among the Turkish Kurds, it was our desire to see them peaceful and contented under Turkish rule, for we well knew how sensitive the Turkish Government were upon this subject, how prone they would be to suspect us if there were any trouble, and how injurious these suspicions must be to the good relations which we desired to maintain. I told the Ambassador that he might repeat this assurance formally to his Government as the expression of the policy of His Majesty's Government.

I am, &c.
AUSTEN CHAMBERLAIN.

No. 8.

Sir P. Loraine to Sir Austen Chamberlain.—(*Received January* 30.)

(No. 29. Confidential.)
(Telegraphic.) *Athens, January* 29, 1927.

MINISTER for Foreign Affairs tells me that he has interminable petty friction with Turkey over the practical execution of treaty obligations, that he would like to bring about general improvement in Græco-Turkish relations, and that according to reliable information Turkey would welcome any Greek suggestion for this purpose.

Minister for Foreign Affairs is therefore seriously contemplating proposing to Turkey either—

1. An agreement for limitation of naval armaments.
2. A treaty of arbitration.
3. A pact of mutual guarantee.

He himself much prefers No. 1, which he described the other day to Chancellor of the Exchequer as a "naval holiday" with Turkey.

2 and especially 3 might, he fears, be looked at askance by Italian Government, whom he does not wish to offend.

If 1 were adopted, Greek plan would be to proceed with admiral's programme of naval reorganisation and with construction of Salamis dockyard, which they believe would be just as useful for peace as for war purposes, and they would almost certainly scrap battleships "Kilkis" and "Lemnos."

Minister for Foreign Affairs believes that you would approve of any steps in this region conducing to peaceful relations and would appreciate a pacific gesture of the sort on the part of Greek Government, and he is anxious to learn whether His Majesty's Government see any objection to his idea.

[**E 495/495/44**] No. 9.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 31.)

(No. 37. Confidential.)
Sir, *Constantinople, January* 21, 1927.

WITH reference to Sir Ronald Lindsay's despatch No. 1, Confidential, of the 1st January last year, I have the honour to forward to you herewith the annual report for 1926 on the heads of missions in Turkey.

2. I have been here too short a time and have seen too little of my colleagues at present—visits of heads of missions to Angora undoubtedly militate against corporate intimacy—to feel justified in expressing more than a first impression based on the appreciations so vividly made by my predecessor. The parts of the notices repeated from the reports of previous years are enclosed in brackets and dated.

3. The report is also, as in preceding years, divided into two parts—Constantinople and Angora—at which latter place the following changes and developments, which have occurred in the course of 1926 may be recorded :—

4. *Germany.*—M. Nadolny has returned from Berlin with credits for the construction of a stone Embassy building, but I gather that he proposes to take his time about the work.

5. *Italy*—The transfer of the land still awaits completion, and meanwhile the Italian Government has taken a small house in the town, where one of the secretaries is permanently in residence.

6. *Poland.*—Building has not yet started on the site of Chankaya, but the Polish Minister has given up the house in the country and rented a house just outside the town, where there is a secretary permanently in residence.

7. *Russia.*—The Embassy building has been finished in the course of the past year, and corresponds to my predecessor's description. But M. Suritz, or possibly still more Mme. Suritz, finds the obligation of daily meals in common with the twenty-five comrades who compose his staff somewhat trying, and he intends to build a separate house for his own residence.

8. *United States* have now hired a big house in the town, next door to the one they had last year.

9. *Belgium* has now rented a small house in the town, where, under instructions, as I understand, from the Belgian Government, the Minister and his secretary are to take turns of two months' residence.

10. *Czechoslovakia* is now established in a good house in the Chankaya district, about a mile below our property.

11. *Egypt* is also permanently established at Angora, but as at present both Minister and staff are being changed, I do not know precisely where the Legation is situated.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 9.

Report on Heads of Missions in Turkey.

(The portions in brackets are taken from the previous reports.)

(A.)—CONSTANTINOPLE.

Austria: M. Auguste Kral, fully accredited Minister.

(M. Kral reopened relations with Turkey in June after the interruption dictated in the peace treaties. He is a member of the old Austro-Hungarian consular service, and during the war was Civil Commissioner in Albania. He has been all his life in the Balkans, and speaks Turkish and Albanian. His manner is characterised by an effusive and rather elaborate courtesy, but he is intelligent, well informed, anxious to be on good terms with His Majesty's mission, and perhaps even willing to be of service. He is married. 1924.)

Belgium: Baron de Villenfagne de Sorinnes, fully accredited Minister.

Baron de Villenfagne de Sorinnes arrived here in the summer of 1924. (He comes from China, Japan and Siam. In person he is short, fat and round, and he likes dancing with the tallest ladies. His disposition is jovial, and he can be amusing about Siam, but he is quite stupid. 1924.) He returned from Brussels this autumn with a young wife.

Bulgaria.

This mission is in charge of M. Nicolas Nedev. I have not met him.

Denmark: M. Oldenburg, Minister at Berne.

Is also Minister in Turkey, but has only paid one formal visit, in April last, to present his letters. M. Malthe-Brunn is in charge, to all intents and purposes permanently, of the Danish Legation. He was formerly in London and talks English well. He is very pro-English, his great ambition being to return to London. He is unmarried.

France: M. E. Daeschner, fully accredited Ambassador.

M. Daeschner presented his letters on the 29th October last. He was born in 1863, and has served in Madrid and London. In 1912 he was appointed "chef de cabinet" to M. Poincaré, and went later as Minister to Lisbon and Bucharest. In October 1924 he was appointed Ambassador in Washington, but left that post after the failure of the Caillaux Mission to effect a settlement of the Franco-American war debt.

M. Daeschner is quiet and reserved and a little inclined to be formal—a great contrast to his predecessor—but he seems to be a loyal and friendly colleague, with whom it will be both easier and more agreeable to collaborate than with the Sarraut or Franklin-Bouillon type of Ambassador.

M. Daeschner is married and has two grown-up daughters. Mme. Daeschner, who is a member of the family that owns the Krug brand of champagne, is a Protestant, with strict views on what is seemly or the reverse, mostly the reverse, in modern social manners. She is, I think, the thinnest lady I have ever seen.

Germany: Herr Rudolf Nadolny, fully accredited Ambassador.

(Herr Nadolny arrived in June, his last post having been at Stockholm, and reopened with Turkey as Minister Plenipotentiary the relations which had been interrupted during the armistice period, and pending the conclusion of peace between Turkey and the Allies. He has the personal rank of Ambassador in the German service. The Embassy houses at Pera and Therapia have been reupholstered, repainted and redecorated, and a wooden transportable house of some twenty to twenty-five rooms has been erected at Angora. I have entered into relations with Herr Nadolny, and he has personally repeated to me the assurances, offered officially by Berlin to London, that Germany will not attempt to oppose in any way British policy in Turkey. I am unaware of any breach of these engagements, though, of course, in the commercial field the German merchant, doubtless with Herr Nadolny's help when required, makes great headway and leaves the British competitor far behind. To this no exception can be taken.

I do not think Herr Nadolny has any particularly good status with Turks, and there is a curious absence in the relations between the two countries of that comradeship which might have been expected to result from an alliance in war for four years. He has a good representative at Angora, and is well informed on Turkish affairs, but I think that he is rather too sly to be regarded as really intelligent. Personally, he is too obsequious to be entirely agreeable, but I understand he can be arrogant enough to his colleagues from minor States. He has given one large *musicale* to Constantinople society, but he explained to all and sundry that it cost him nothing, because he got the artists' services free in exchange for board and lodging. The French Embassy long refused to have any relations with the German mission, and induced the Belgian Minister (I think rather reluctantly) to follow suit, but at a party in this mission last night, M. Jessé Curély allowed himself to be introduced to and to shake hands with Herr Nadolny.

Frau Nadolny is rather a forlorn figure, who never opens her mouth without saying "thank you." 1924.)

Herr Nadolny has been very friendly, but I do not feel that I quite trust him.

Hungary: M. Ladislas Tahy de Tahvar et Tarkeo, fully accredited Minister.

(M. Tahy arrived in May 1924, and, like M. Kral, was formerly in the Austro-Hungarian consular service. He therefore speaks Turkish. In spite of his name, he is racially more a Slovak than a Magyar. During the war he was at Bagdad, and at one time, when there was no neutral consul there, he had to assume charge also of British interests. I have been in good relations with him, and he strikes me as being a very frank and straightforward man, perhaps with rather a hot temper. I do not believe he is anti-British any more than any of our ex-enemies might be expected to be so.

Mme. Tahy is an agreeable lady of pleasant appearance, with a family of small children. 1924.)

I knew M. Tahy during his stormy period as Hungarian Minister in Prague and he is, I think, genuinely grateful for my efforts at that time to prevent him from losing his head altogether. He has spent so great a part of his career in Turkey and knows the language so thoroughly that at present the Turkish authorities are more afraid of him than of any of his colleagues.

Italy: M. Luca Orsini Baroni, fully accredited Ambassador.

(Signor Montagna was transferred in August to Rio—a disagreeable change to him, but not so disagreeable as it would have been if he had not realised that he was doing no good here. This fact doubtless accounted for the transfer. Indeed, Signor Montagna was too highly strung for Constantinople or Angora.

Signor Orsini Baroni arrived in October, and seems likely to be a pleasant and useful colleague, with whom I expect to collaborate agreeably. He has a nice sense of humour and is endowed with a patient and equable temper. He has the further advantage over his predecessor of not perpetually seeking personal successes.

Mme. Orsini Baroni is German by birth, and, as she is in mourning, we have barely made her acquaintance. She is tall and fair, and looks just like a heroic statue of Germania. 1925.)

M. Orsini Baroni corresponds to Sir R. Lindsay's appreciation of him, and I hope to find him an agreeable and level-headed colleague.

Mme. Orsini Baroni has just returned to Constantinople after undergoing a severe operation for varicose veins, and is still suffering considerable pain and unable to go about.

Japan: Mr. Y. Obata, fully accredited Ambassador.

(Mr. Obata presented his letters as Ambassador in November. He comes from China, where he has spent almost the whole of his career. I have seen very little of him so far. He and his wife both speak English haltingly. 1925.)

So far as I can understand Mr. Obata's English, he gives the impression of considerable intelligence and no very great affection for Great Britain. He is singularly un-Japanese to look at, being tall, with aquiline features, but he has the disproportionately short shin bone characteristic of the Japanese. Mrs. Obata keeps up a perpetual flow of almost inaudible English about her house and her servants, which, after half an hour or so, becomes nothing short of maddening.

Jugoslavia: M. Tihomir Popovitch, fully accredited Minister.

M. Popovitch presented his letters on the 25th July, 1926. He called on me on his arrival here and then went on leave. He appears to be a good specimen of his countrymen.

Persia: M. Sayyid Sadik Khan Tabatabai, fully accredited Ambassador.

(Sadik Khan arrived in September and succeeded safely in presenting letters of credence as Ambassador at Angora. He is of unpleasing appearance, but possesses a sense of humour which would be still more appreciable if conversation did not have to be conducted through an interpreter. Unfortunately, the Sayyid, though understanding French, is too diffident to speak it. He is, I think, anxious to be on friendly relations with this mission, and I have seen him several times; but I have had no serious business with him. 1924.)

(Tabatabai is a good-natured fellow, who talks to me freely against Turk and Russian alike. But he really maintains a wobbly but Wilsonian impartiality of thought, the product of weakness rather than of conviction. He informs me that he is leaving Turkey for good in about a month's time, having been recalled at his own

request, and that his mission is likely to left under a Chargé d'Affaires for a considerable period of time. 1925.)

Tabatabai is still here and waiting to present fresh letters of credence.

Roumania: M. Georges Filality, fully accredited Minister.

(M. Filality, the Roumanian Minister, was a colleague of mine at Nish during the war. He has been absent a good deal from his post and was employed in 1922 as Roumanian delegate in the negotiations with the Soviet at Warsaw. He is unmarried. He is short and round, with a keen sense of his own humour. He conceals much shrewdness beneath a jovial exterior, and his apparent *bonhomie* does not prevent him from being exceedingly caustic at the expense of others. 1923.)

(But M. Filality has apppeared this winter with a tiny wife and a tiny, but fully-grown, daughter. 1924.)

Spain: M. Juan Servert y Vest, fully accredited Minister.

(The Spanish Minister, M. Servert y Vest, is the doyen of the Ministers. He has spent most of his career in South America, and finds this climate somewhat trying. Owing to the difficulty of finding suitable accommodation in Constantinople itself, he lives rather an isolated life at Buyuk-Dere, where he spends the whole year. He is a quiet man of literary tastes. 1925.)

(He goes in for photography, and reads a great deal, but unfortunately he has no memory at all. 1925.)

Sweden: M. G. O. Wallenberg, fully accredited Minister.

(M. Wallenberg realised on his arrival that he was under suspicion of having been very pro-German during the war. The fact that he is in charge of German interests here made it more difficult for him to get rid of this suspicion, but he works hard to dispel the legend that he is Germanophile. After the conclusion of the Prisoners' Exchange Agreement with the Angora Government, some of the returned Turks did not hesitate to state in the Nationalist press that they had been badly treated at Malta and had suffered indignities there. M. Wallenberg procured a report from the Swedish consul at Malta on the treatment of Turks. This report was very favourable to the British authorities, and M. Wallenberg lost no time in communicating it to the Turkish Government.

M. Wallenberg goes in greatly for Turkish society, and Turks are always to be found at his evening parties. In fact, he rather forces Turks on the notice of his Allied colleagues.

Mme. Wallenberg is a good-natured lady, who pours forth an unending stream of talk in a somewhat strident voice, which makes her a trying neighbour at a dinner. 1922.)

(He is quite ridiculously Turcophile. 1925.)

Switzerland: M. Martin, Chargé d'Affaires.

Presented his letters the 30th June. Late commercial counsellor in London. Talks English fluently and is almost painfully pro-English. He is very active socially and commercially, his object being to prove that a separate Swiss mission in Turkey is justified. He is unmarried. I have only met him once, as he went on leave almost immediately after my arrival.

United States of America: Rear-Admiral Mark L. Bristol

(Turco-American Treaty signed, but not ratified. Admiral Bristol has shown signs of desiring to divest himself of the appellation of High Commissioner, but it is not clear how he will wish to call himself in the increasingly embarrassing position in which he is placed, through the Senate's refusal to ratify. 1925.)

(I think it a pity that the American Government have not long ago sent out a career diplomatist to take charge of the United States High Commission. I cannot bring myself altogether to trust Admiral Bristol.

Admiral Bristol and his wife entertain a great deal in a simple way. They are both devoted to dancing, and, I am told, are frequently to be seen at Maxim's and other similar places in this town. 1922.)

(Admiral Bristol has been here now for five years, expecting most of the time to be replaced by a diplomat at any moment. At one time his successor had actually been designated and was packing up to come out here, when the arrangements were countermanded at the last moment. He himself, while anxious to get back to the navy, would also like to stay here till the Turco-American Treaty is ratified. He was recently offered the command of the United States fleet in Far Eastern waters.

In the little business I have had with Admiral Bristol he has proved friendly and helpful, and I doubt his being anti-British. He affects to be very strongly pro-Turkish, and pushes it to the point of never allowing himself to utter a remark derogatory to the Turks. This makes any reasonable discussion of current questions impossible, but, as he is not well informed, it does not much matter. His attitude may be due to the excessive discretion usually observed by amateur diplomatists, or to the necessity of maintaining somehow a good standing with the Turks in spite of the anomalous relations between Turkey and America, which compel him to continue calling himself High Commissioner. In this latter object he succeeds.

Admiral and Mrs. Bristol do a lot of entertaining. Till recently, at any rate, the Embassy was paid for from naval and not from State Department funds, and was run like a ship. Filipino stewards do the waiting, a ship's steward buys the provisions and a ship's cook prepares them, all borne on the books of the U.S.S. "Scorpion." The result, though slightly strange at times, is nevertheless highly gratifying to Constantinople society in general, with whom Admiral and Mrs. Bristol are deservedly popular. 1924.)

Admiral Bristol is still awaiting the ratification of the Turco-American Treaty, which will be decided in Congress in the current month. If it is ratified he will probably be offered the appointment of Ambassador here, but, unless he yields to Mrs. Bristol's entreaties, he will try to return to the navy. He is personally very friendly, but I am not sure that he is not politically anti-British. Perhaps it is his exaggerated enthusiasm for the present Turkish régime which makes it difficult to judge.

Vatican: Mgr. Angelo Rotta, Apostolic delegate.

(This prelate arrived in October, his last post having been in Guatemala. He is Bishop of Thebes *in partibus*. I have little acquaintance with him. The Turkish Government still do not recognise the existence of the Vatican, and Mgr. Rotta has no recognised official status at all. 1925.)

(B.)—Angora.

Afghanistan: Guhlam Djeilani, fully accredited Minister.

Guhlam Djeilani succeeded Sultan Ahmed Khan in February last. I know nothing about him.

Albania: Reouf Bey Fico, fully accredited Minister.

M. Fico arrived in February last year, and had to wait nearly a month at Angora before he could present his credentials. Up to the war he was in the Turkish Civil Service, his last post being Governor of Cæsarea, and he was once actually mutessarif at Angora. He is probably the best informed of all members of the Diplomatic Body in regard to matters Turkish, and I was very favourably impressed when I saw him at Angora, both by his personality and by his frankness. I should be inclined to regard him as one of the best of my colleagues.

Czechoslovakia: M. Milos Kobr, fully accredited Minister.

M. Kobr presented his letters as successor to Dr. Svetlik on the 1st January, 1926. He lives permanently at Angora, and called on me on my first visit there. He went on leave shortly afterwards and I have had no opportunity of getting to know him better, but my first impression of him is as being typical of the numerous ex-Austrian officials who now occupy high posts in the Czechoslovakian public service. He was in the Austro-Hungarian Levant consular service before the war, and subsequently was for some time in America and speaks English with an American accent. He is married.

Egypt: Mohammed Heddaya Pasha.

Somewhat mysteriously disappeared in the summer. He is said to have sold wine, which he had imported free of duty, to Tokatlian's Hotel. He did not return to his post, and has now been retired. No successor has yet been officially appointed, but it is rumoured that Abdul Aziz Rashid Pasha, formerly Egyptian Minister in Tehran, is to come here.

Greece: M. M. N. Tsamados, fully accredited Minister.

M. Argyropoulo left in September last to take over the Ministry for Foreign Affairs in Athens, and was succeeded early in December by M. Tsamados, formerly Minister at Durazzo (1919), Washington (1922) and Belgrade (1923). In 1925 he was Director-General at the Ministry for Foreign Affairs, but resigned owing to disagreement with the Government over the Græco-Serbian Treaty. He has the reputation of being one of the most capable members of the Greek Diplomatic Service.

I have not yet had the opportunity of meeting him as he was absent during my last visit to Angora, but my counsellor there reports on him as being a good colleague, though with a soapy manner and talking American volubly, using the longest possible words, usually inappropriately. Both socially and intellectually he seems to be a considerable come-down after M. Argyropoulo. M. Tsamados is married.

Poland: M. J. Wierusz-Kowalski, fully accredited Minister.

M. Kowalski came here in September 1926, from Vienna, where both he and his wife had made themselves much liked. They are an agreeable couple, and M. Kowalski is an interesting and cultured man.

Russia: M. Suritz, fully accredited Ambassador.

(M. Suritz is a suave, plump person of 50 to 55 years of age, with black hair and a white face. I have made his acquaintance and come across him three or four times. He loves to be spoken to. He may or may not be a Jew, but he was born at Dvinsk, which is suspicious. He got into trouble with the imperial authorities in the disturbances of 1905–6, and, in consequence, spent three years in Siberia on the shores of the Arctic Ocean, at a place where the thermometer in winter used to register 50 degrees of frost Réaumur! After that he settled at Kiev and did statistical work, in the course of which he became acquainted with Trotski, to whose chariot wheels he attached himself. He was Soviet Minister in Afghanistan before coming to Turkey. He entertains Turkish Deputies very freely at Angora, with lashers of strong liquor, but he himself suffers from ill-health and is never seen to eat or drink anything at all. The Russian mission enjoys great influence with the Turkish Government, but it is usually said here that its real brains are to found in the head of Comrade Potemkin, Russian consul-general at Constantinople, rather than in that of the Ambassador. 1925.)

On my visits to Angora M. Suritz has gone out of his way to make himself agreeable and to discuss the relations between our two countries in an entirely objective spirit. He professes to be most anxious to see these relations established on a better footing, and invariably alludes to his careful abstention from, as he so easily might have done, "queering the pitch" during Sir Ronald Lindsay's Mosul negotiations, as a proof of his sincerity. I do not know.

[E 500/500/44] No. 10.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 31.)

(No. 12.)

Sir, *Constantinople, January* 26, 1927.

AS I notice a reference in Sir M. Lampson's telegram to you, No. 8 of the 3rd instant, to the system of foreign legal counsellors adopted by Turkey as possibly suitable for China, it may be of interest to offer a few observations on the results so far of that experiment.

2. According to the Treaty of Lausanne these legal counsellors serve under the Minister of Justice. Their functions are to take part in the work of the legislative commissions and to forward reports to the Minister of Justice on the working of the different Turkish courts. They are further authorised to receive any complaints to which the administration of justice may give rise and to bring them to the notice of the Minister of Justice.

3. M. Borghesius, one of the legal counsellors posted to Constantinople, has been so good as to furnish me with his observations on the work so far achieved. In the first place, he points out that the position is fundamentally unsatisfactory, as the legal counsellors are servants of the Turkish Government and can exercise no sort of control. In so far, therefore, as their function is to protect foreigners from the injustices of the

Turkish courts, they can do very little. In his opinion it is mainly a question of tact and patience, and he has hopes that, if the legal counsellors can prove to the Turkish Government that they are in Turkey not to support the foreigner against the Turk but to help the Government with disinterested advice, some real progress may be made in the future.

4. Up to date there is little positive achievement that can be pointed to. While the legislative commissions, sitting in Constantinople, were drawing up the civil, penal and commercial codes they did consult the legal counsellors, but only very late in the day, a short time before the codes were submitted to the Parliamentary Commission. The recommendations of the legal counsellors were to a large extent adopted by the Parliamentary Commission, but they were of a very obvious nature, and it is difficult to say how far the influence of the legal counsellors was the decisive element in effecting the changes made.

5. As regards complaints made by foreigners against the administration of justice, M. Borghesius informs me that he and his colleagues have on several occasions found fault with the decisions of the Turkish courts and have submitted their views to the Minister of Justice. The latter has informed them privately that he forwarded their opinions to the Court of Cassation at Eski-Shehir. In a recent complaint made by a Frenchman against the judgment of a Turkish court the legal counsellors criticised the judgment of the court, but their view was ignored by the Court of Cassation. M. Borghesius, however, admits that the case was not very strong and is unwilling to treat it as a test. He prefers to wait for the decision of the court at Eski-Shehir on the claim of the Bank of England against the Turkish Government in the affair of Ipranossian Frères, which he characterises as a gross breach of justice, and upon which the legal counsellors have expressed themselves in the most decided terms.

6. M. Borghesius further points out that it is not only foreigners but Turks also who have the right to refer complaints against the courts to the legal counsellors. So far, however, no Turk has done so for fear, no doubt, of getting into trouble.

7. M. Borghesius is far from enthusiastic about the institution, but is not prepared to condemn it wholesale. During the last year he considers that he has noticed a change for the better. He believes that the Turks are beginning to accept the legal counsellors in the right spirit, but, owing to the extremely low standard of their courts, it is too much to expect that justice will generally triumph. The chief task of the legal counsellors is to gain the confidence of the Minister of Justice. Though the latter says that he cannot interfere directly with the administration of justice, yet he can, after the event, remove a judge who has been guilty of injustice or negligence of his duties.

8. M. Borghesius frankly regards the appointment of legal counsellors dependent on the Minister of Justice as a complete victory for the Turkish nationalist point of view. He admits that under the conditions prevailing at the time of the Lausanne Conference there was no alternative, but from a purely judicial standpoint it was far from satisfactory. Had the Turks been in a more chastened frame of mind the best solution would have been the appointment of legal counsellors responsible to the League of Nations with a court of appeal in Constantinople, where all cases would have been heard in which foreigners were involved. This court would have been in addition to the Turkish court of appeal at Eski-Shehir, and, where any miscarriage of justice occurred, there would have been a final appeal to the League of Nations.

9. To sum up, such results as have already been achieved are negative rather than positive, and even those results depend almost more on the patience and tact than on the technical ability of the legal counsellors. Still, given all three attributes, it is possible that in time there may be a chance of the foreigner being able to trust himself to a Turkish court with some hope of a fair hearing. But one cannot yet call the experiment encouraging.

I have, &c.
GEORGE R. CLERK.

[E 501/73/44] No. 11.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received January* 31.)

(No. 44.)

Sir, *Constantinople, January* 26, 1927.

AS was to be expected, the rejection of the Treaty of Lausanne by the American Senate has created a considerable stir here. It has not, however, aroused any violent outbursts against America for several reasons. In the first place the Turks realise that the American Government is in favour of ratification and that the defeat which it has suffered at the hands of the Senate is first and foremost a move in the game of American internal politics and has much more to do with America than with Turkey. Secondly, the Turkish Government is fully aware that the rejection of the treaty is not going to do Turkey any real damage, and that she can, without any feeling of uneasiness, wait for some change of opinion in America.

2. Meanwhile, as soon as the news was reported, Admiral Bristol, the United States High Commissioner, left Constantinople for Angora, and the press, which is always pleased to have something safe to occupy itself with, got busy on the subject.

3. It is unnecessary to inflict upon you all the explanations and speculations of the Turkish press, and I will confine myself to a few points which may be of interest. It would appear that Admiral Bristol has been instructed by his Government to let it be known that the latter regard the rejection of the treaty as a question of internal politics, and that until the next elections relations can best be regularised by the continuation of the *modus vivendi* agreement. The Turkish press reports that this view is shared by the Turkish Government, though it is pointed out that the latter are now at liberty to increase the customs coefficient from five to eight, as soon as the present *modus vivendi* agreement expires next month. One or two papers hint that this may be done, but the general opinion is averse to any measures of retaliation on the ground that Turkish exports to America are just as valuable as American imports into Turkey.

4. The "Milliet," which, if not entirely official, is very near the Government, explains the attitude of the Senate as due to three main influences, namely, Americans formerly resident in Turkey who left the country before the revolution and are unacquainted with the new Turkish mentality, Armenophils in America, and missionaries. In addition to these influences it is stated quite openly that the Archbishop of Canterbury wrote a letter to the American Bishop Manning asking him to prevent the ratification of the treaty, which gives the impression, adds the "Milliet," that in this question the finger of the foreigner can be traced.

5. The only sin that Turkey has on her conscience in the whole of this question would appear to be one of omission. It is admitted by most of the journalists that Turkish propaganda in America has been most defective, and that one of the causes which has produced the present state of affairs is the extraordinarily crude ideas about Turkey which gain currency in the United States. It is indeed an anomalous position that the United States, which were never really at war with Turkey, should be the last to resume normal relations. So far as Turkey is concerned, she can wait without anxiety for the process of enlightenment to spread further in America.

I have, &c.

GEORGE R. CLERK.

No. 12.

Sir Austen Chamberlain to Sir P. Loraine (*Athens*).

(No. 16.)

(Telegraphic.) *Foreign Office, February* 11, 1927.

YOUR telegram No. 29 of 29th January: Turco-Greek relations.

Greek Minister for Foreign Affairs is right in thinking that His Majesty's Government would welcome any steps conducing to peaceful relations. An agreement for limitation of naval armaments between Greeks and Turks would have our sympathy.

In any discussions with the Turks, his Excellency will of course omit all reference to us.

(Repeated to Constantinople, No. 9.)

[E 746/17/44] No. 13.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received February* 14.)

(No. 65.)

Sir, *Constantinople, February* 9, 1927.

I HAVE the honour to enclose herein the report in the local press of an interview given to the correspondent of the "Quotidien" by the Minister for Foreign Affairs.*

2. Tewfik Rushdy Bey took the opportunity to review Turkey's international position. From the volume of verbiage which proceeded as usual from Tewfik Rushdy Bey's lips it is possible to extract a few items of interest.

3. "Nos relations avec l'Union des Républiques soviétistes socialistes," he says, "ont été et demeurent dictées par les événements, crystallisées en quelque sorte et renforcées par la réalité des choses." This is a good example of the Minister's gift for concealing a modicum of thought in an abundance of language. If he meant anything —and he probably did—it seems to have been to emphasise the opportunism of Turco-Russian friendship. He goes on at once to declare that Turkey's relations with Russia in no way debar Turkey from entering into pacts with other countries. His purpose is perhaps to stimulate the Soviet Government to greater conciliation over the commercial agreement now under negotiation. As I reported in my despatch No. 35 of the 19th ultimo, these negotiations have been hanging fire. What the hitch exactly is it is difficult to say. From two foreign sources I learn that the Turks are unwilling to give diplomatic status to Vneshtorg employees and others for whom the Russians claim immunities. Probably a more substantial difficulty lies in the limited advantages which the Soviet Government seems ready to grant to Turkish exporters. M. Yourieff, the Soviet commercial expert, returned from Russia the other day with a score of export permits in his pocket. He distributed them to influential Deputies, who sold them to the highest bidder, and he assured his Turkish friends that the agreement would very soon be concluded. Nevertheless, the Turkish press has become restless. It complained that, in spite of the sacrifices Turkey has accepted, the negotiations make no progress. Yunus Nadi declared that the Turks have granted privileges but received none, that nothing but friction arises from the present *modus vivendi*, and that it would be better to abolish it than to jeopardise so precious a thing as Russian friendship. At this juncture the Tass agent in Angora denied a report (of which no one had, however, heard) that Russian military movements were proceeding "on the western and eastern frontiers." The Turkish Ministry for Foreign Affairs and Ali Jenani Bey, the ex-Minister of Commerce who is conducting the negotiations, then issued reassuring statements to the effect that a settlement could not long be delayed; but on the 7th instant an article, which can only be regarded as officially inspired, by Mahmud Bey in the "Hakimiet-i-Millieh," after affecting to make light of the difficulties which have cropped up, threatens mildly that Turkey will be indisposed to renew the *modus vivendi* when it expires at the end of this month and states plainly that Turkey expects more help than this from her Russian friends. It may well be, then, that Tewfik Rushdy Bey thought it time to remind the Soviet Government that there was nothing to prevent Turkey from turning to the west.

4. Tewfik Rushdy Bey describes Turco-Italian relations as normal and friendly. Relations with Great Britain, he says, have become friendly since the Iraq treaty was signed, and he repeats that Turkey sacrificed Mosul in the higher interest of peace. He seems to have laid particular emphasis on his statement that Turkey was far from bearing any animosity to the League of Nations, and his remarks about a rumour in the "Pravda" bear out the wisdom of leaving Turkey to find her own way to the League.

5. Dealing with Turco-French relations, the Minister observes in high-flown language that the consolidation of peace in the Mediterranean is desirable as a complement to the consolidation of peace in Europe, that the present is a favourable moment for developing with France the relations of neighbourliness, neutrality and non-aggression defined in the Franco-Syrian-Turkish treaty of last year, and that France at one end of the Mediterranean and Turkey at the other, both strong and both pacific, are the best guarantee of peace. In all this it is difficult not to see the expression of a hope that France may give Turkey some guarantee against Italy.

* Not printed.

6. As is usual in Turkish pronouncements, Tewfik Rushdy Bey insists upon Turkey's recognition of her need for peace and on her determination to go on actively with internal reconstruction. He may have thought his remarks would encourage the French bondholders as well as the French Government.

I have, &c.
GEORGE R. CLERK.

[E 749/749/44] No. 14.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received February* 14.)

(No. 69.)

HIS Majesty's representative at Constantinople presents his compliments to His Majesty's Secretary of State for Foreign Affairs and has the honour to transmit herewith copy of despatch No. 3 from His Majesty's consul, Adrianople, dated the 24th January, 1927, respecting Eastern Thrace.

Constantinople, February 9, 1927.

Enclosure in No. 14.

Consul Dawkins to Sir G. Clerk.

(No. 3.)

Sir, *Adrianople, January* 24, 1927.

HAVING recently returned from leave, I have the honour to submit to your Excellency a general report upon Eastern Thrace. Before going into details, I should say that, although I have been away for some months, yet I feel in a way that I am perhaps better qualified than I was to give a general idea of local conditions. They are, in fact, so peculiar, that when one has been here a certain time they cease to strike one as such. I trust, however, that, for a few brief weeks at least, I shall still be able to see them with the double advantage of the detached view of an outside observer, combined with the intimate knowledge that comes by residence here.

2. My first, and, I think, correct, impression, on returning here from the outside world, was that the general situation, like the death it so closely resembles, is unchanged. It seems hardly an exaggerated figure of speech to say that, for a variety of political, economic and social causes, life which is susceptible of change and development, has departed from these regions and left death permanently in charge, pending, no doubt, some form of resurrection some time. I need not dwell at length upon the causes above mentioned, as they are well known to your Excellency. The Turks are not the most go-ahead people in the world, but they cannot be blamed for not putting many eggs in the Thracian basket just now. For the rest, they find themselves masters again of a province thoroughly devastated by war, almost stripped of its original population which has been, to some extent only, replaced by impoverished refugees, while the capital, Adrianople, instead of being the centre of a richly productive area (as it has presumably been more or less from the date of its foundation), finds itself hemmed in closely by frontiers lined with doubtful Greek and Bulgar neighbours.

Commerce.

3. The population of Adrianople is still waning. Two years ago it was said to be 35,000; it is now estimated as low as 25,000. Of the remaining small business concerns, one after another shuts up and goes off to happier fields of enterprise. Of direct trade with the United Kingdom I have, in two years, been able to discover hardly one single instance, such British goods as figure among the staple necessities of local life being purchased from middlemen in Constantinople. Nor has industry fared any better than commerce. As from the summit of one of the dismantled forts one looks down on the remains of the town, one cannot fail to notice the absence of all signs of industrial life. No factory chimneys or works of any kind sully the clear air; and nothing breaks the silence except perhaps the pathetic cough of a solitary gas-engine engaged in milling flour. There is one other fair-sized modern

mill, and to repair that, when it broke down, it was necessary to send *to Salonica* for an engineer; while my own bath-geyser and electric bells are, incredible though it may appear, quite beyond any local talent, having to be repaired by myself or my clerk.

4. I refer to the remains of the town advisedly, since to my knowledge not a house has been brought to completion for the last two years, while many score, if not hundreds, have been demolished and the woodwork sold as fuel. I am burning it in my stoves at this moment. The method of exploitation is to buy for a mere trifle any old house which has become incapable of repair, remove the tiles carefully for sale to outlying villages, and then push the framework down (a push is generally enough) and sell it as fuel, which, with coal at £5 or £6 sterling a ton, is not difficult. For myself I feel I was extremely lucky in finding, on my arrival two years ago, the house of the former Greek Governors still capable of repair. What the housing situation is like now may be judged from the fact that a new Italian vice-consul, who arrived here more than a month ago, is still searching desperately for any decently habitable dwelling. That he is asked to pay £10 a month for a "ruin" does not disprove the fact that an average rent for the best local "ruins" is about £2. This seems a fair indication of the general standard of living.

Politics.

5. Of the local political life I see not very much, partly because it hardly seems worth while to arouse suspicions by too many enquiries or a too lively show of interest in the doubtless more or less unsavoury details of local intrigue, but chiefly, I suspect, because there *is* but little to see, local affairs being in the hands of Angora appointed officials and deputies, who carry on without reference to any small amount of independent opinion that may possibly exist. There is, of course, no opposition party in the ordinary sense of the words. As an indication of the mental deadness of the place, I have thought I could hardly do better than transmit herewith a copy of the only local newspaper, the "Adrianople Post,"* which appears in this proud form twice a week. The front of the page is used as a sort of official news bulletin and the back for trade advertisements—not a very ambitious piece of journalism for a town of this size.

Administration.

6. As regards local administration, there is doubtless a considerable amount of discontent. Taxes are very high and are collected ruthlessly, and, it is often said, unfairly, with much embezzlement and corruption. In view of the absurdly low scale of official salaries, much of this gossip is probably only too true. I do not, however, go out of my way to collect positive proofs of alleged maladministration, as no British interest would be served by doing so. That the town is maladministered from a municipal point of view is obvious from its hopelessly out-at-elbows appearance. During my absence I understand there has been a certain amount of petty friction between the local authorities and my French colleague, partly on personal matters and partly owing to tax-collecting efforts *vis-à-vis* a school run by the French Assumptionist fathers. The clerk left in charge here during the summer has met with the same apparently quite friendly politeness and even cordiality which has always been shown to me; and now that the Mosul question is over, it is probable that the local authorities are, in fact, better disposed. On the other hand, even if they did not feel otherwise, as I have absolutely no colony here, it would be more than usually difficult for them to cause trouble.

Social.

7. The social life of Adrianople, outwardly, pursues its westernising way, as reported in previous despatches, *i.e.*, dances are held at a social club, football is played, and so on. To speak, however, of the social life of the place in the ordinary European sense might be entirely misleading, since, with the exception of one or two ladies in the consular corps, there is not a hostess here who even pretends to receive in any way. If perchance there exists a local interior social life (it would be absurd to speak of a local culture), Europeans are certainly not admitted to it. The marked absence of any such life, which certainly existed in some degree before the Balkan

* Not printed.

wars, is due naturally to the cataclysmic history of recent years, and is, to my mind, one of the most striking features of the place to-day. Disregarding for the moment the fictitious air of culture imparted by such modern features as bottled beer, electricity and the cinema, I should say, speaking from my own experience, that mediæval Fez, or even an Atlas village, presents a higher standard of human achievement than similar forms of life in this part of Thrace.

Prospects.

8. As regards the peasants, it is impossible to say how many years they must work before they can hope to reach the modest degree of prosperity attained by the villages in early years of this century. The crops have been good this year, though the result of the beetroot crop, in which so much hope was placed and for which a fine factory (about the only factory in Eastern Thrace) was built at Alpoglou last year, was derisory. In any case, it seems, in my humble opinion, very doubtful whether Adrianople, crushed up against the frontier as it is now, and cut off from the Ægean, first by the silting up of the Maritza, formerly navigable in some degree, and secondly by the now interposed Greek frontier, has any chance at all, under present circumstances, of regaining its former prosperity. As any traveller may observe from the train, what the land really suffers from is a lack of population. Not to mention the Greeks, Jews and Armenians who made the towns hum with business in former days, the land itself supported a large and industrious Bulgarian element—perhaps as many as a quarter of a million. These have now disappeared, together with other progressive elements, and the land is held by the original Turkish peasants with a large admixture of ruined and unhappy refugees from Macedonia and elsewhere. As to the value of agricultural land, a fair average purchase price is said to be the equivalent of about £1 sterling per 1,000 square yards. Prices, however, vary enormously, according to the quality and accessibility of the land, and a friend of mine tells me that he can only get one-tenth of the above price for a farm of his. Statistics of population are very uncertain. A good sanguine guess now for the whole of Eastern Thrace would probably be 350,000, which gives only thirty-five persons per square mile. I observe that the Foreign Office Historical Handbook of 1918 guesses, for *1916*, just double this figure. For 1912, treble or even quadruple this figure would have been somewhere near the truth.

9. There remains the question whether prosperity can ever return here. The Turks themselves, in candid moments, seem to admit that the present situation is utterly hopeless from this point of view; and I think they are quite right. If I may venture to give an opinion, I should say that even the Greeks now could make nothing of Adrianople, unless they had a large slice of Eastern Thrace with it; and that the only hands in which it could possibly flourish would be those of the Bulgars, provided that they also had a free outlet by rail down the Maritza Valley to the Ægean at Dedeagatch. As things are now, no one dreams of investing money here in anything; everyone leaves who possibly can, while those who cannot, limp along as best they can.

Frontiers.

10. Some reference is also necessary to the state of the frontiers with Bulgaria and Greece. These, together with their demilitarised zones, have now been definitely settled and marked out, the last knotty point, viz., the island in the Maritza delta, having been solved in favour of Greece. Except for some occasional robberies, order is good. With the Bulgars, relations are friendly, and there is a certain small amount of trade. With the Greeks, relations appear to be correct on the surface. There is practically no trade, the goods that Western Thrace could supply (notably oil and wine) being kept out by quite prohibitive tariffs.

Railways.

11. There is some talk of the early construction of the railway referred to towards the end of article 107 of the Lausanne Treaty; the object of which, whatever the exact *tracé* of the line, would be to avoid passing through any Greek zone on the journey between Adrianople and Constantinople. I can only say that the Turkish Commissary for the frontiers told me that nothing was contemplated for some time yet, whereas the local station-master, who is likely to have good information, and was certainly rather drunk at the time, assured me vehemently that the plans were ready and work would be begun by his company, the Compagnie

orientale des Chemins de Fer turcs, at an early date. My Greek colleague also tells me that a credit is now being inserted on the budget for the construction of what is obviously meant as a military line from Ouzoun Keupru, southwards, to Keshan (*i.e.*, parallel to the Maritza Valley), and thence down towards the Gallipoli peninsula.

I have, &c.
J. McG. DAWKINS.

[**E 693/147/44**] No. 15.

Sir Austen Chamberlain to Sir G. Clerk (Constantinople).

(No. 116.)
Sir, *Foreign Office, February* 14, 1927.

WITH reference to your Excellency's despatch No. 19 of the 4th January regarding the Ottoman Public Debt, I transmit to you the accompanying copies of a letter from the Council of Foreign Bondholders* urging His Majesty's Government to give their support to a request for the resumption of official negotiations with the Turkish Government regarding the debt and of a record of a recent conversation on the subject between the Secretary of State and the Turkish Ambassador.

2. I also enclose a copy of a letter from Sir Otto Niemeyer reporting on a conversation which he had with Sir Adam Block.*

3. On the 9th February Sir Adam Block called at the Foreign Office and raised two points. He referred firstly to the barren results of the unofficial negotiations at Paris and emphasised the necessity of official negotiations. He expressed the hope that His Majesty's Government would support the request of the bondholders for the resumption of official negotiations and added that the Italian and the German Governments would support their respective bondholders, but that he was not sure of the attitude of the French Government.

4. In the second place he raised the question of the persistence of the Council of the Debt, and pointed out that, while there is no longer any question of the council exercising its former functions of administering Turkish revenues, it must continue to act, and is so charged and empowered by the Treaty of Lausanne, as the channel of collection and distribution of the debt revenues from Turkey and other debtor countries. He expressed the view that the Turks would have no objection to the persistence of the council for the purpose of these functions (although they are responsible for its expenses, which Sir Adam estimates at about £45,000 per annum) if (1) it is recognised that the council has relinquished all claim to its former right of administering Turkish revenues, and (2) if it no longer has its headquarters in Constantinople. He suggested that it might as easily sit anywhere else. Paris was the obvious suggestion, but this would not appeal to the Italian and very likely not to the British bondholders.

5. In the event of the Turkish Government raising with your Excellency the question of the necessity for the continuation of the existence of the Council of the Debt, I shall be glad if you will put before them the objections to its abolition outlined above.

I am, &c.
AUSTEN CHAMBERLAIN.

Enclosure in No. 15.

Memorandum by the Secretary of State.

THE Turkish Ambassador enquired whether I had anything further to say about the settlement of the Ottoman Debt. I told him that I had made enquiries of the Treasury and that I was advised that, whilst some progress had been made since he had last spoken to me on the matter, the real obstacle to success was that Fethi Bey, the Turkish representative, had no authority to negotiate a settlement and was merely seeking to extract concessions from the bondholders whilst quite unable to take any engagements on behalf of the Turkish Government. I was myself most loath to interfere in a matter which ought to be settled between the Government and the

* Not printed.

bondholders and had desired to confine my action to calling the attention of the Turkish Government to the subject and begging that they might arrange a fair settlement of the claims of those who had lent money to the Turkish Government in the past. I would suggest that the Turkish Government should send a duly accredited representative to conclude an arrangement with the bondholders' representatives. I gathered that the Treasury did not think the proposals which the bondholders either had made or were prepared to make unreasonable, and that a settlement ought to be possible if the Turkish representative had the necessary authority.

The Ambassador replied that he understood that the bondholders' representatives were equally without power to conclude an agreement and had to refer everything to their principals. In fact, his understanding of the position was the very opposite of my own. I remarked that if the Turkish Government appointed somebody who was authorised to conclude, it would be reasonable to ask the bondholders to do the same, but my information was that Fethi Bey could take no engagements and accept no proposals and was only seeking to draw concessions from the bondholders without assuming any engagements on the side of the Turkish Government.

Foreign Office, February 9, 1927.

[**E 901/128/44**] No. 16.

Sir M. Cheetham to Sir Austen Chamberlain.—(*Received February* 22.)

(No. 21.)

Sir, *Copenhagen, February* 17, 1927.

I HAVE the honour to report that two Danish engineering firms, Saabye and Lerche, and Kampmann, Kierulff and Saxild, have been commissioned by the Angora Government to carry out large railway constructions in Turkey.

2. This work involves the building of a 1,800-kilom.-long railway line, which is to connect Angora and Eregli on the Black Sea and 500 kilom. further past this town, the object being to promote development of coal-mining and forestry in these districts. The work is to be commenced in March, and several of the Danish engineers have already left for Asia Minor.

3. The Danish firms are co-operating with the Swedish firm Nydquist and Holm in Gothenburg, and the contract has been closed between this combine and the Turkish Government. The railway is to be completed within five and a half years, and the payment is to be 55 million dollars. The contract is not a concession as the railway will be run by the Turkish Government and not by the foreign engineering firms.

4. In view of the low rate of the Turkish exchange, the Danish press has been interested to know what securities the Turkish Government are able to give. The "Berlingske Tidende" has made enquiries in Turkey, and has been informed by the Turkish Minister for Public Works, Behidj Bey, that the National Bank of Agriculture have had all revenues from tobacco, spirits and match monopolies transferred to them for a period of ten years, for the purpose of payments to the Scandinavian firm and to a Belgian firm who is building a line from Caesarea viâ Sivas to Tourhal.

5. "Berlingske Tidende" points out that, in view of the fact that the projected railway traverses sparsely populated districts, it will take many years before the line can become a paying concern, and it is consequently of more strategic than commercial importance.

I have, &c.
MILNE CHEETHAM.

[**E 965/147/44**] No. 17.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received February* 25.)

(Unnumbered.)
(Telegraphic.) *Angora, February* 24, 1927.

YOUR despatch No. 122.

I spoke to Minister for Foreign Affairs this evening in the sense of your conversation with Turkish Ambassador. His Excellency agreed that coupons question had now reached position where official negotiations could start, and said he was about to take necessary steps.

[**E 1014/17/44**] No. 18.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received February* 28.)

(No. 88.)

Sir, *Constantinople, February* 23, 1927.

I HAVE the honour to report that the Turkish press has shown considerable interest in a telegram from Geneva sent by the Agence d'Anatolie to the effect that it was rumoured at Paris and Geneva that His Majesty's Government had given Italy a free hand in Turkey in return for the willingness of Italy to co-operate in China.

2. On the day following the publication of this telegram, Mahmoud, Deputy for Sert and one of the leading publicists in Turkey, sent a long article to the papers from Angora ridiculing the report. There was no difference, he explained, between Italy and Turkey and there was no interest in creating one. Turkey herself was in a position to repel an act of aggression from any State, for her defence forces had been organised with this end in view. But the activity shown in organising Turkey's defences was in no way directed against Italy. It was simply due to a consideration of the general position in the world.

3. The Italian Ambassador the same day issued a most emphatic denial of this rumour. He explained that a *démenti* had already been issued at Rome, although there little importance was attached to hostile rumours about M. Mussolini's policy, which was essentially pacific. For, he continued, M. Mussolini was far too honest and straightforward to countenance any political adventures, and it could be stated most emphatically that Italy's policy in the Far East would never have any connection with her policy in the Near East.

I have, &c.
(For the Ambassador),
R. H. HOARE.

[**E 1015/17/44**] No. 19.

Sir R. Graham to Sir Austen Chamberlain.—(*Received February* 28.)

(No. 159.)

Sir, *Rome, February* 25, 1927.

I HAVE the honour to report that the following "Stefani" communiqué appears in to-day's newspapers:—

2. "The Italian press has not reproduced the usual periodical tendencious reports which are spread in foreign countries on the subject of Italo-British understandings with regard to Turkey. Any opportunity is good enough for these poisonous insinuations, and now even the Chinese question is dragged into connection with such rumours, though no one can fail to know that Italian action in China is decided exclusively with a view to the protection of Italian interests, which the National Government intends to safeguard at all times and in all places.

3. "The sources from which these absurd reports emanate—the anti-Fascist circles of Paris and Geneva—show that they have once more been invented by those elements particularly interested in throwing obstacles in the way of the clear and steady policy of the Italian Government and in injuring Italy by any possible means.

4. "But this monotonous game will end by having the opposite effect to that intended, showing up the bad faith of its authors, and making their absurd objectives merely ridiculous."

I have, &c.
R. GRAHAM.

[**E 1116/257/44**] No. 20.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received March* 7.)

(No. 97.)

Sir, *Constantinople, March* 2, 1927.

WITH reference to my despatch No. 22 of the 12th January last, I have the honour to report that, somewhat to the general surprise, the Government have announced their intention of abolishing the Independence Tribunals, whose powers are due for renewal on the 7th instant. The proposal has been adopted by the Popular

party on Ismet Pasha's recommendation. It is therefore a foregone conclusion that the Assembly will not renew the mandate of the Independence Tribunals.

2. The newspapers of course do not fail to point out this sign of the Government's confidence in the internal security of the country, and such it certainly is Nevertheless, it must not be forgotten that martial law will remain in force in the eastern vilayets until at any rate the 21st November next, and that the Government have announced their intention of renewing the law for "the maintenance of public tranquillity," which would otherwise lapse on the 3rd instant. This law enables the Government, without even going through the form of reference to the Assembly, to suppress any form of "reaction" The Government will therefore remain with a very firm hand on the country.

3. While the Government may have been chiefly actuated by the feeling that the internal situation was easier and that the abolition of the Independence Tribunals would be a gracious act, they had also, without much doubt, an eye on Turkey's credit abroad. They hope that foreign finance will infer that all within Turkey is *couleur de rose.*

I have, &c.
GEORGE R. CLERK.

[**E 1156/257/44**] No. 21.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received March* 10.)

(No. 101.)

Sir, *Constantinople, March* 4, 1927.

I HAVE the honour to report that, as anticipated in my despatch No. 97 of the 2nd instant, the National Assembly on that day voted the extension till the 3rd March, 1929, of the law for the maintenance of public tranquillity, but refrained from prolonging the mandate of the independence tribunals.

2. Ismet Pasha proposed this measure before a crowded house in a speech of some length. He recalled the benefits which this law and the tribunals had conferred on the country. The main danger which they had averted was not the rebellion of Sheikh Said nor the attempt on the Ghazi, but the threat to the peaceful development of the country which lay in all internal disturbance. The Government had been stupefied to find that certain politicians had conspired to create disorder in the country and to take a precious life. The Prime Minister then referred to the obligation under which the Government had unfortunately found itself of closing down the Opposition. He flattered himself that many of the Deputies thus dealt with now recognised the wisdom of the step. In order that the country's work and productivity might reach its utmost development, the Government had decided to continue the law for the maintenance of public tranquillity, but, feeling that a normal situation was desirable, they intended to abolish the independence tribunals. The Pasha concluded with a warning. The Government, he said, fully realised that, if public disaster were to be avoided, statesmen dealing with great events must act without the least hesitation. He hoped that his words would be understood by anyone who might in the future have the audacity to defy the National Assembly. It was, perhaps, not surprising that after this no voice was raised in dissent from the Government's proposals.

I have, &c.
GEORGE R. CLERK.

[**E 1157/128/44**] No. 22.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received March* 10.)

(No. 102.)

Sir, *Constantinople, March* 5, 1927.

WITH reference to your despatch No. 136 of the 21st February last, transmitting copy of a letter received from the Anglo-Turkish Trust Company (Limited), in connection with the negotiations with the Turkish Government for the repurchase of the Anatolian Railway, I have the honour to inform you that, in so far as the general situation in regard to railways in Turkey is concerned, I am in agreement with the opinion expressed to Colonel Woods by the company's representative,

Major Pam, that the Swedish and Belgian groups which have concluded agreements with the Turkish Government for railway and port construction are carrying a considerable financial risk.

2. The contracts entered into with these two groups involve a total expenditure of £T. 140 million. Without entering in detail into the financial provisions of these contracts, the position as regards the contracting groups is that the Belgian group has undertaken to construct within a period of three years the Tourhal–Sivas Railway, at a cost of £T. 30 million; whilst the Swedish group is to construct within five and a half years the Heraclea–Angora and Keller–Malatia–Diarbekir lines, together with the port of Heraclea, at an inclusive cost of £T. 110 million.

3. The Belgian group is to receive payment in Government bonds in six years and the Swedish group in ten years, and the annual charge on the Turkish Treasury in this respect will be :—

June.	Million £ T.
1927–28	13·8
1928–29	18·3
1929–30	18·3
1930–31	16·8
1931–32	16·8
1932–33	16·8
1933–34	11·8
1934–35	11·8
1936–37	7·8
1937–38	7·8
	140·0

To these amounts must be added interest on the long-term bonds issued by the Government.

4. The vote allocated to the Ministry of Public Works in recent years has been :—

	£T.
1924–25	17,045,888
1925–26	18,278,305
1926–27	14,279,631
1927–28 (provisional)	22,544,095

This vote, however, comprises all departmental expenditure, including salaries, administrative costs and road construction, so that the amount nominally allocated to railway construction in past years is at least £T. 4,500,000 less than the credits specified above. Moreover, the sums earmarked for railways have not always been available, and the work of construction has been continually interrupted owing to failure to pay contractors and to shortage of labour.

5. In considering the financial aspect of the contracts entered into with the Belgian and Swedish groups, the following considerations must be reckoned with :—

(*a.*) The Government will issue bonds to cover the cost of work undertaken and the payment on maturity of these bonds will be guaranteed by the Agricultural Bank; in the case of the Belgian group, the Turkish Banque de Crédit national will also back the bonds. The credit of these two institutions is, however, so intimately bound up with that of the Turkish Government itself that their guarantee adds nothing to the financial security offered to the contracting groups, and the question resolves itself, therefore, into the ability or otherwise of the present Government to meet its new financial obligations for the next ten years.

(*b.*) The Turkish Government imposed a series of new and burdensome taxes at the commencement of the current financial year, and by these means it was found possible to present to the Assembly a balanced budget. The new taxation created undoubtedly gave rise to hardship and discontent throughout the country, and in the budget for the coming year it has been realised that the high-water mark of taxation had been reached and that no new sources of revenue can be tapped. By the exercise of strict economy it has been found possible to carry out a restricted programme of railway construction during the past three years, but the needs of the Ministry of Public Works have always been subordinated to those of

the Ministry of National Defence, and there can be no doubt that should the necessity for increased military expenditure arise during the next few years, the votes of non-military departments would suffer. In spite of protests in the press to the effect that the projected railways are not strategic, there can at the same time be no doubt that their construction will considerably assist the military authorities in case of war or internal disorders. It would therefore be to the advantage of the Ministry of National Defence to give its blessing to these contracts and not to hinder construction by depriving the contractors of funds. Nevertheless, the Turkish Government will be obliged in the near future to make definite provision for her foreign debt, and to reach some agreement in regard to the repurchase of the Anatolian Railway. The debt settlement alone will call for an initial annual expenditure of about £T. 18 million, which must be forthcoming from existing revenues, and in view of the apparent impossibility of devising new and productive sources of revenue, the question of Turkey's ability to meet both her foreign debt obligations and the cost of her ambitious scheme of railway construction is likely to become acute.

(*c.*) From reports furnished by the branches of the Ottoman Bank in Anatolia, it is obvious that the situation of the farmers, on whom the Government must depend for a large proportion of its revenues, is in many parts of the country most precarious, and in a purely agricultural country such as Turkey this situation does not inspire confidence in the ability of the Government to maintain even its present scale of revenue returns.

(*d.*) With the possible exception of the Heraclea–Angora Railway, it appears to be highly improbable that the railways which it is proposed to build can pay for themselves for many years to come, and so far from being a source of revenue during the duration of the present contracts, their exploitation is likely to be a serious drain on the Government's resources.

6. According to statements published in the press, the Turkish Government is in pourparlers with other foreign financial groups for public works undertakings, but up to the present no definite agreements have yet been reached. An American group is stated to have offered to expend 20 million dollars on any undertakings which the Ministry of Public Works may indicate and to be prepared to spread the repayment over thirty yearly periods, while a German group has opened negotiations for the construction of a railway from Kutahia to Tavchanli.

7. If any agreement is reached with these groups, the annual charge on the Turkish Government will be further increased, and the risk of the Belgian and Swedish groups will be increased likewise. Incidentally, I have yet to learn that either of the contracting groups has secured the capital necessary to finance its undertakings, and although the Turkish Government may be expected to have taken every precaution to guard against a repetition of the ignominious fiasco of the "Chester" concessionnaires in 1923, it would not be surprising if many difficulties have yet to be surmounted by the groups themselves before they can find the capital they require. The Swedish group, at all events, is nervous of the American offer, as it considers that in a race for payment a large and powerful country like the United States of America would certainly obtain prior consideration, as the security in both cases would, they believe, be the same revenues.

8. In view of these considerations, I am of opinion that British financial interests would be at present ill-advised to offer to finance on the basis of long-term credits any public works undertakings in this country. Apart from the question of financial security, it should be borne in mind that to make a loan to the Turkish Government is to offer a hostage to fortune, and the financial reputation of the present Administration does not encourage the belief that the Government would not in the future make unscrupulous use of such a convenient lever to exert pressure in regard to other questions.

9. A British firm has already secured from the Swedish group the sole right to supply the materials needed by them in Turkey and is negotiating a contract for shipment of all materials from Sweden to this country. A good part of the profits of the undertaking are therefore likely to fall to British enterprise without the risk attached to the schemes outlined above.

I have, &c.
GEORGE R. CLERK.

[**E 1206/173/44**] No. 23.

Mr. Hoare to Sir Austen Chamberlain.—(*Received March* 14.)

(No. 114.)

Sir, *Constantinople, March* 8, 1927.

WITH reference to my despatch No. 78 of the 18th ultimo, I have the honour to report that on the 5th instant the National Assembly approved the Turco-Greek convention for the liquidation of property claims. In submitting the convention Tewfik Rushdi Bey emphasised the community of interests which existed between Turkey and Greece as Balkan and Mediterranean Powers. There had been great practical difficulties, and Turkey had made great sacrifices, but the thought of higher interests had brought the agreement into being. In other words—which he did not utter—Turkey had had Italy at the back of her mind.

2. A leader in the Government paper of the 8th March goes even further. Situated geographically so similarly as they are, Mahmud Bey says, Turkey and Greece are intended to agree with one another. In the past they have disagreed and others have profited by their quarrels. Now their relations enter upon a new phase. Sentiment is nowadays out of place in politics, and the two countries will be drawn together by mutual interest. Nor will this principle be advantageous in the political sphere alone, for in trade too co-operation will be much more sensible than competition. Both countries can sell their olives, figs and grapes more profitably if they agree.

3. The one anxiety which the Turks profess is that Greece will fail to honour her word and that Turkish landowners will find that they still have grievances. This anxiety was emphasised by Deputies in the Assembly and by the leader quoted above. Tewfik Rushdi Bey declared that for its part the Turkish Government would, as always, be most scrupulous in applying the terms of the convention, and he recorded his conviction that the Greek Government would act with the same good faith.

4. I am sending a copy of this despatch to His Majesty's Minister at Athens.

I have, &c.
R. H. HOARE, *Chargé d'Affaires*

[**E 1208/128/44**] No. 24.

Mr. Hoare to Sir Austen Chamberlain.—(*Received March* 14.)

(No. 117.)

Sir, *Constantinople, March* 9, 1927.

THE Danish interests concerned, in concert with the Swedish group mentioned in Sir George Clerk's despatch No. 102 of the 5th instant, in the construction of the Angora–Eregli and Keller–Diarbekir Railway lines appear to have no immediate anxiety as to the financial aspect of their work, as the financing is being undertaken by the Judeborg Handelsbank and the Swedish State Bank either separately or jointly.

2. The Danish interests will only make the necessary surveys, and will then, according to private information I have lately received, adjudicate the tenders for the construction of the line which are to be submitted to them through the Turkish Government. My informant, the Danish Chargé d'Affaires, was of the opinion that British contractors would have a good opportunity should they feel inclined to submit tenders when the time comes. It is, however, difficult to gauge the risk which contractors would run in undertaking such work on a probable basis of half-payments only at the time the work was in progress, and the balance some years afterwards. Sixteen Danish engineers have arrived here and are about to leave for Eregli to commence the survey of the first-mentioned line.

I have, &c.
R. H. HOARE,
Chargé d'Affaires.

[E 1362/257/44] No. 25.

Mr. Hoare to Sir Austen Chamberlain.—(*Received March* 21.)

(No. 133.)

Sir, *Constantinople, March* 15, 1927.

THE signature of the commercial treaty between Turkey and the Soviet Union, which I am reporting separately, has been accompanied by an outpouring of expressions of friendship for Turkey's most important neighbour. As this treaty has synchronised with the despatch of His Majesty's Government's note to Moscow and the Italian recognition of Bessarabia as part of Roumania, the Turkish journalist, who in this country is inevitably somewhat barren of ideas and suitable subjects of discussion, has enjoyed himself in making a great deal out of very little. In the first place he has emphasised that the pivot of Turkey's foreign policy is her friendship with Russia, and he has been careful to maintain the most discreet silence about the League of Nations. This silence is probably intentional, for a short time ago the League of Nations had become rather a favourite subject for leader writers, who sought a change every now and then from singing the praises of the Ghazi and his great reforms and permitted themselves to wander further afield. They now appear to have forgotten the existence of the League which is temporarily overshadowed by the greater prestige of Russia.

2. Of foreign countries the three whose movements are watched with the greatest interest are Russia, Italy and Great Britain. I find it hard to believe that Russia at the present moment occupies as important a place in the Turkish mind as either Italy or Great Britain, and I suspect that she is purposely thrust into the foreground to impress the others. To a certain extent Russia may be regarded as a friend in need, even if not a very reliable one, and the extent of the need can be measured by the warmth of the friendship. Were it not for the preoccupation felt by the Turks as to the future movements of Italy and the growing signs of concord which they are quick to detect and to exaggerate between Italy and Great Britain, cordiality towards Russia would be considered less imperatively necessary. I am inclined to think, therefore, that the prominence given to Russia betokens a certain need for consolation which the thinking Turk must sometimes feel when he tries to probe the future of his country.

3. On the surface everything is quiet in Turkey. Politically no movement of opposition can be detected. The Ghazi has killed off all those rivals on whom he could lay hands, and the others, whom he was forced by their popularity with the army to leave at large, do not appear to think the moment ripe for action. The worst enemy of the present régime, however, is economic rather than political. It is easier to wring the necks of rivals than to remove the causes which make the appearance of new rivals probable. Turkey is no longer a great Power nor has she got the economic resources of a great Power. The present Government has the sense to realise the former, but its estimate as to its economic resources is perhaps less sure. In a recent discussion with a shrewd observer of Turkey I gathered that the population generally had grown quieter and less nervous, because they had begun to adapt themselves to a lower scale of living and had come to realise that the reduced output of the country was not the result of an economic crisis, but had come to stay. That is a wholesome frame of mind for the average citizen, but it is less wholesome so long as the Government fail to adapt themselves with equal philosophy to this unpleasant truth, for if Turkey is to produce less for years to come, she has to spend less, and above all she has to spend less on her army. Until the Government are prepared to reduce their budget to what the country can properly support they will be storing up difficulties for themselves in the future. So far I see no signs that this lesson is being brought home to them sufficiently to make them change their way of living, and Ismet Pasha (see the "Times" of the 10th March) maintains that the productivity of the country is increasing. They know they have for the present reached the limit of taxation and are trying no further experiments in that direction. They are now turning their attention to the development of railways, hoping that somehow the money required will be forthcoming, and that, if and when the railways are constructed, they may open up new sources of wealth. It is all rather in the nature of a gamble, but, until the gamble has failed, there is sufficient optimism about to make the future seem quite satisfactory and to keep people quiet. Indeed, the Italian cloud on the horizon is still but a small one and will only assume dangerous dimensions if all the present hopes are falsified. Italy, therefore, is being watched carefully but without excessive anxiety for the moment, and Italy's friend, Great Britain, is being treated with greater politeness so that she may not join hands with the possible aggressor. So long as the future of Turkey continues to be in the nature of a gamble, she will probably be slow on her side to commit herself to any departure in foreign policy, while she waits to see what the future may bring her, and it goes without saying that other Powers will show equal circumspection in their dealings with her.

I have, &c.
R. H. HOARE.

[E 1349/73/44] No. 26.

Mr. Hoare to Sir Austen Chamberlain.—(*Received March* 21.)

(No. 134. Confidential.)

Sir, *Constantinople, March* 16, 1927.

WITH reference to Sir George Clerk's despatch No 44 of the 26th January last, regarding the effect here of the rejection of the Treaty of Lausanne by the American Senate, I have the honour to report that the American High Commissioner, after many weeks of negotiations at Angora, finally came to an arrangement on the 17th February with the Turkish Government which has been embodied in an exchange of notes now published, of which I have the honour to transmit a copy herewith.

2. Admiral Bristol told me a few days ago that he was entirely satisfied with the result of his negotiations, and in general that he was more easy in his mind than at any time since his arrival here. He is of the opinion that matters have now so been arranged that the pleasure taken by the Senate in rejecting time and again the Lausanne Treaty will have no effect on the future relations of the two States. He attributed the success of his negotiations in great measure to the relations which he had established with Ismet Pasha at Lausanne, and said that the latter had at first been puzzled and offended by his attitude of aloofness, but eventually realised that it was the only one which an "observer" was entitled to adopt.

3. The admiral expects soon to leave Turkey to return to the American navy and to be replaced by Mr. Grew, who, as you will remember, held a watching brief for the American Government at the second Conference of Lausanne.

4. It is not known yet whether the appointment of Mr. Grew as Ambassador to Turkey will be submitted to the Senate for approval, or, if such is the case, what course will be taken by the American Government if the die-hards in that body, led by Senator King, choose to veto the appointment.

5. There can be no doubt that the cordial personal and official relations established by Admiral and Mrs. Bristol with a large circle of Turkish friends and officials have been of considerable assistance to the United States Government, particularly since the rejection of the treaty by the Senate.

6. At the first Conference of Lausanne, and during the difficult time which preceded the conclusion of the treaty, the admiral gained the reputation of being strongly anti-British. I think that he would be genuinely surprised and grieved if he were told this and would maintain that his sympathy for Turkish aspirations and his tolerance of their blunders had created an entirely false impression. Since I have been here his personal relations with His Majesty's Ambassador and the staff of the Embassy have been entirely friendly.

7. An interesting theory has been propounded by a well-known American in Constantinople that the recent abolition of the independence tribunals by the Turkish Government was a piece of "window-dressing" suggested by Admiral Bristol for the purpose of disarming these irreconcilables, who have made much of the "reign of terror" in Eastern Turkey. If such is indeed the case, the Turkish Government has probably fixed its eye upon American capital, which Admiral Bristol is keen to introduce for the construction of railways and the general development of the country. The Ulen group however, failed of late to come to terms with the Turkish Government over the question of security for a road and drainage system at Angora, and, although two American financial groups are now said to be negotiating with the Turkish Government, American circles here are inclined to doubt whether they will succeed, as the American public is still nervous of foreign securities, and reputable American bond houses would be unwilling to place bond issues on the market on the credit terms agreed to by the Swedish and Belgian groups whose activities have already been reported to you.

I have, &c.
R. H. HOARE.

Enclosure in No. 26.

Extract from the "Echo de Turquie" of March 16, 1927.

L'Accord entre la Turquie et les États-Unis.

Notes échangées entre son Excellence Tewfik Rouchdy Bey, Ministre des Affaires étrangères, et M. l'Amiral Bristol, Représentant diplomatique des États-Unis.

M. le Représentant,

J'AI l'honneur de faire la déclaration ci-après sur l'accord auquel ont abouti les pourparlers qui ont eu lieu à Angora entre le Gouvernement turc et le Gouvernement des États-Unis d'Amérique concernant la régularisation des relations entre la Turquie et les États-Unis d'Amérique :

1. La Turquie et les États-Unis d'Amérique sont d'accord pour établir entre eux les relations diplomatiques et consulaires, conformément aux principes du droit des gens, et de procéder à la nomination des Ambassadeurs aussitôt que possible. Ils conviennent que les représentants diplomatiques et consulaires de chacun d'eux recevront, à charge de réciprocité, sur le territoire de l'autre, le traitement consacré par les principes généraux du droit international public :

(*a.*) La Turquie et les États-Unis d'Amérique sont d'accord pour régler les relations commerciales et consulaires ainsi que les conditions d'établissement et de séjour, sur leurs territoires respectifs, des ressortissants de l'autre partie, par des traités ou conventions spéciaux sur la base des principes généraux du droit international public et sur celle d'une parfaite réciprocité ;

(*b.*) En cas où le traité signé à Lausanne, le 6 août 1923, entre la Turquie et les États-Unis d'Amérique serait ratifié par la Turquie et les États-Unis d'Amérique jusqu'au 1er juin 1928, les dispositions de ce traité, y compris ses annexes, seront acceptées, en ce qui concerne la régularisation des relations commerciales, consulaires et des conditions d'établissement et de séjour, comme répondant aux stipulations énumérées à l'alinéa (A) du présent paragraphe. Il est entendu qu'en cas où le Traité turco-américain serait ratifié jusqu'au 1er juin 1925, l'article 31 de ce traité sera modifié, lors de la ratification, dans le sens qui suit : Les articles dudit traité qui ont un caractère temporaire auront expiré à la même date que les dispositions correspondantes des traités et conventions signés entre la Turquie et les Alliés à Lausanne, le 24 juillet 1923 ;

(*c.*) La Turquie et les États-Unis d'Amérique sont d'accord que, à la convenance mutuelle des deux Gouvernements, le traité signé entre eux à Lausanne, le 6 août 1923, sera soumis aux pouvoirs compétents des Gouvernements respectifs pour être ratifié. En outre, dans le delai de six mois à partir de l'entrée en vigueur de la Convention d'Établissement et de Séjour spécifiée à l'alinéa (A) du présent paragraphe, ou de l'entrée en vigueur du Traité turco-américain mentionné à l'alinéa (B), les négociations pour une convention de naturalisation seront entamées. La question des réclamations sera traitée conformément aux dispositions des notes échangées entre les Gouvernements turc et américain à Constantinople, le 24 décembre 1923, étant entendu qu'en cas où le Traité turco-américain mentionné à l'alinéa (B) ne serait pas ratifié, les dispositions desdites notes entreront en vigueur six mois après l'échange des ratifications de la Convention commerciale et de la Convention d'Établissement et de Séjour spécifiées à l'alinéa (A).

2. En attendant l'entrée en vigueur de la Convention consulaire et de la Convention d'Établissement et de Séjour spécifiées à l'alinéa (A) du paragraphe (2), ou l'entrée en vigueur du Traité turco-américain mentionné à l'alinéa (3), les principes énumérés aux paragraphes (1) et (2) de la présente note, ainsi que les dispositions essentielles du Traité turco-américain signé à Lausanne le 6 août 1923, y compris ses annexes, constitueront, à charge de réciprocité, la base du traitement qui sera accordé aux ressortissants de la Turquie sur le territoire des États-Unis d'Amérique et aux ressortissants des États-Unis d'Amérique sur le territoire de la Turquie.

3. Le présent arrangement entrera en vigueur le jour de sa signature.

Je serais heureux d'avoir votre confirmation sur les termes ainsi arrêtés de cet arrangement.

Veuillez, &c.
Dr. Rouchdy.

M. le Représentant,

J'ai l'honneur de faire la déclaration ci-après sur l'accord auquel ont abouti les pourparlers qui ont eu lieu à Angora entre le Gouvernement turc et le Gouvernement des États-Unis d'Amérique concernant le traitement qui sera accordé au commerce des États-Unis d'Amérique par la Turquie et au commerce de la Turquie par les États-Unis d'Amérique :

En attendant l'entrée en vigueur de la Convention commerciale spécifiée à l'alinéa (A) du paragraphe (2) des notes échangées aujourd'hui concernant les relations entre la Turquie et les États-Unis d'Amérique, ou l'entrée en vigueur du Traité turco-américain, signé à Lausanne le 6 août 1923, le *statu quo* provenant de l'échange des notes du 20 juillet 1926, concernant les relations commerciales entre la Turquie et les États-Unis d'Amérique, sera préservé pour une période d'un an, à partir du 20 février 1927. A l'expiration de ladite période, le *statu quo* continuera automatiquement pour une période supplémentaire de trois mois, à moins que dans l'intervalle les dispositions de la présente note ne soient modifiées par un accord mutuel, ou à moins que l'une des deux parties contractantes n'ait demandé une revision des susdites dispositions.

Je serais heureux d'avoir votre confirmation sur les termes ainsi arrêtés de cet arrangement.

Veuillez, &c.
Dr. Rouchdy.

M. le Ministre,

Le Gouvernement des États-Unis de l'Amérique du Nord et celui de la République turque ont convenu entre eux de l'opportunité du rétablissement des relations diplomatiques et consulaires conformément aux stipulations du droit international et de l'envoi, dans le plus bref délai, des Ambassadeurs respectifs. Les représentants diplomatiques et consulaires de chacune des deux parties jouiront dans les territoires de l'autre partie et dans des conditions de réciprocité des prérogatives instituées par le doit international.

Deuxième Partie.

(A.).—Les États-Unis d'Amérique et la République de Turquie conviennent de régler, par des traités et conventions spéciales basés sur les principes généraux du droit des gens et sur le principe de parfaite réciprocité, les relations commerciales et consulaires, ainsi que les conditions de séjour des ressortissants de l'une des parties dans les territoires de l'autre partie.

(B.)—Dans le cas où le traité conclu à Lausanne entre les États-Unis d'Amérique et la Turquie, en date du 6 août 1923, aura été ratifié par les deux Gouvernements jusqu'au 1er juin 1928, les clauses de ce traité seront acceptées au lieu et place des dispositions énumérées au paragraphe (A) relativement aux relations commerciales et aux conditions de séjour. Il a été seulement convenu qu'en cas de ratification dudit traité jusqu'au 1er juin 1928, l'article 38 de cet acte sera modifié comme suit :

> "Les articles du traité en question qui sont d'un caractère temporaire cesseront de jouir en même temps que les stipulations signées à Lausanne le 24 juillet 1924 entre la Turquie et les Alliés."

(C.)—Les États-Unis d'Amérique et la République turque sont d'accord pour soumettre réciproquement à la ratification des autorités compétentes le Traité relatif à l'Extradition des Criminels, signé à Lausanne en date du 6 janvier 1923, et sur le désir exprimé d'un commun accord par les deux Gouvernements.

En outre, dans les six mois à partir de l'entrée en vigueur des Conventions consulaire et de Séjour mentionnées au paragraphe (A), ou du Traité turco-américain qui en tiendra lieu conformément au paragraphe (B), des pourparlers seront entamés en vue de la conclusion d'un traité de liquidation.

La question des revendications sera discutée conformément aux dispositions des notes échangées à Constantinople, en date du 24 décembre 1923, entre les Gouvernements de Turquie et d'Amérique. Il a été convenu, toutefois, que, dans le cas où le

Traité turco-américain aura été ratifié, les dispositions de ces notes n'entreront en vigueur que dans les six mois à partir de l'échange des textes ratifiés des Conventions commerciale et de Séjour.

Troisième Partie.

Jusqu'au moment de l'entrée en vigueur de la Convention commerciale stipulée au paragraphe (A) et du Traité turco-américain mentionné au paragraphe (B), les formalités à appliquer aux sujets américains résidant en Turquie et aux sujets turcs résidant en Amérique seront celles prévues par le Traité de Lausanne, le 6 août 1923.

Quatrième Partie.

Cet accord entre en vigueur à partir du jour où il a été signé. Je serais heureux de recevoir de la part de votre Excellence confirmation des articles contenus dans cet accord.

Je vous prie, &c.
BRISTOL, *Amiral.*

Les Rapports commerciaux.

Au sujet de l'accord auquel ont abouti les pourparlers engagés à Angora entre le Gouvernement des États-Unis et le Gouvernement de Turquie et concernant les formalités à appliquer au commerce turc par le Gouvernement des États-Unis et au commerce américain par le Gouvernement turc, j'ai l'honneur de faire les déclarations suivantes à M. le Ministre :

En attendant la mise en vigueur de la Convention commerciale mentionnée au paragraphe (A) de la partie 2 des notes échangées à ce jour, ou du Traité turco-américain signé à Lausanne le 6 août 1923, le *statu quo* établi par l'échange des notes en date du 20 juillet 1926 et relatives aux relations commerciales entre les États-Unis et la Turquie sera maintenu pour un an à partir du 20 février 1927. A l'expiration du délai précité, le *statu quo* restera, *ipso facto*, en vigueur pendant un délai de trois mois, à moins qu'entre temps les stipulations de cette note n'aient été modifiées d'un commun accord ou bien que l'une des parties contractantes n'ait exigé la revision des dispositions en question. Je serais heureux de voir votre Excellence confirmer les clauses ainsi définies du présent accord.

Je vous prie, &c.
BRISTOL, *Amiral.*

[E 1360/402/44] No. 27.

Mr. Hoare to Sir Austen Chamberlain.—(*Received March* 21.)

(No. 137.)

Constantinople, March 16, 1927.

Sir,

WITH reference to my despatch No. 123 of yesterday's date, I have the honour to report that the Turco-Russian Commercial Treaty was signed at Angora on the 11th instant by Ali Jenani Bey, Minister of Commerce, and Shevki Bey, Under-Secretary of State for Foreign Affairs, on behalf of the Turkish Government, and by M. Souritz, the Soviet Ambassador, and M. Bourieff, a special delegate from Moscow, on behalf of the Union of Soviet Republics. The speeches exchanged on this occasion emphasised the fact that the signature of the treaty confirmed the close political friendship between the two countries; indeed, Ali Jenani Bey almost suggested that it was political friendship alone which made the conclusion of a commercial treaty possible. I enclose the French text of the speeches.

2. I have, further, the honour to enclose a statement issued to the press by Ali Jenani Bey, from which it appears that the treaty covers commerce, residence and navigation. The clauses covering navigation provide for freedom of navigation in the waters of the two countries and national treatment in their respective ports.

3. On the matter of residence, the two parties will accord most-favoured-nation treatment.

4. The base of the commercial agreement consists in the quantitative equivalence of imports and exports. Part of the Turkish imports into Turkey will be handled by the Vinischtorg (70 per cent. according to press reports) and the balance by free trade.

The chief Turkish products will enjoy the benefits of the Asiatic tariff and the rest will receive most-favoured-nation treatment. Seventy per cent. of Turkish imports sold to the Vinischtorg will be paid for in cash and the balance in kind. In the case of private sales, half will be paid in cash and half in kind.

5. The Russian commercial representative and two of his assistants will enjoy diplomatic privileges, and their offices at Angora and Constantinople will enjoy exterritoriality, with an important reservation obviously designed to enable the Turkish Government to check political propaganda.

6. The Vinischtorg will establish four offices apart from those at Angora and Constantinople, and it is provided that, in the event of Turkey establishing commercial missions in Russia, they shall enjoy similar treatment to that accorded to the Russian commercial mission in Turkey.

7. The press learns that the treaty is concluded for one year, and will remain in force unless denounced by either party in the course of the year. It will come into force one month after exchange of ratifications.

8. Yunous Nadi Bey, who about a month ago embarked on a vigorous campaign against the vexations imposed on Turkish trade with Russia, published to-day an amusing interview with the Soviet Ambassador. It fills two columns of the paper and consists almost entirely of repeated reciprocal congratulations and of flattering references to the part played by the Ambassador and by the journalist in achieving the desired result. At the end of the interview Yunous Nadi Bey reports himself as having said, without any previous reference to the subject, that there was an intention to invite Russia to join the League of Nations. The Ambassador is made to reply that he did not believe there was any such intention and that, though not hostile to the League, the Soviet Government could certainly not accept an invitation under the conditions which prevail. No doubt those conditions would one day be changed, but some time must inevitably elapse before Russia could join.

9. As you are aware, Yunous Nadi Bey, especially since his interview with yourself at Geneva, is among Turkish journalists the principal advocate of Turkey applying for membership to the League. It is hard to judge what importance is to be attached to his writings, and in the present instance the whole article rather suggests that he has been celebrating the conclusion of the commercial treaty with the "frank cordiality" which characterises many of the proceedings at Angora. Nevertheless, it is of some interest that he should have fixed on this particular occasion to break the silence of the last few weeks regarding Turkey and the League. Presumably the intention is to show that, though friendship with Russia is the corner-stone of Turkey's foreign policy, that friendship need not prevent her from cultivating cordial relations with the rest of the world—from being, in fact, a Western nation.

10. I should add that rumours are already abroad that, whatever Ali Jenani may say on the subject of Russian commercial representation in Turkey, the Soviet Government will, in practice, be able to flood the country with agents enjoying diplomatic privileges. In view of the long struggle over this question (see my despatch No. 551 of the 18th October, 1926), such rumours were to be anticipated.

I have, &c.
R. H. HOARE.

Enclosure 1 in No. 27.

Extract from the "Akcham" of March 13, 1927.

SPEECHES BY ALI JENANI BEY AND M. SOURITZ.

ALI DJÉNANI BEY a prononcé le discours suivant :

"M. le Président,

"Grâce à notre bonne volonté réciproque, nous avons réussi à mener à bien une tâche difficile. Nous avons dû souvent discuter pour arriver à concilier les deux thèses en présence, basées par les deux pays, sur des principes divergents de politique économique. L'amitié existant entre les deux États et qui s'est montrée inébranlable au cours des pourparlers, nous a permis de surmonter toutes les difficultés. Je ne doute pas que les relations commerciales raffermiront cette amitié, et c'est ce qui nous permet de considérer ce traité comme un lien la scellant et destiné, je n'en doute pas, à porter ses fruits dans le domaine économique également.

"Je ne terminerai pas sans m'estimer très heureux de former des vœux pour le salut et le bonheur des deux pays. Je vous remercie chaleureusement, M. le Président, ainsi que les membres de votre délégation, pour votre collaboration précieuse."

M. Souritch a répondu comme suit à ce discours :

"M. le Président,

"Je considère de mon devoir de vous exprimer ma reconnaissance pour les paroles sincères que vous venez de prononcer à l'occasion de la signature du Traité de Commerce et de Navigation entre la République turque et l'U.R.S.S. Il est nécessaire de considérer le 11 mars 1927 comme une date très importante et significative dans l'histoire des relations entre les deux pays amis.

"Nous signons aujourd'hui un document réglementant les rapports des deux peuples dans le domaine économique, et qui acquiert une grande importance, parce qu'il consolide définitivement la fraternité existant déjà entre les deux républiques. Nos peuples ont montré au monde entier un exemple rare de ce que peut faire la cohésion et la compréhension, au point de vue de leurs intérêts politiques.

"Il s'agissait d'en faire de même dans le domaine économique. On peut considérer ce point également comme définitivement acquis.

"Les deux parties ont réussi à obtenir ce résultat heureux dans un court laps de temps grâce à leurs efforts sincères et à leur désir d'aboutir à un accord. Notre traité a été conclu de façon à ne porter aucune atteinte aux principes suivis par les deux pays, dans le domaine économique.

"Je vous prie, M. le Président, de vouloir bien agréer, au nom de tous les membres de notre délégation notre reconnaissance profonde et sincère pour le concours précieux et inappréciable que tous les membres de votre délégation ont fourni pour arriver à conclure ce traité qui tout en réglementant leurs relations économiques cimente les liens d'amitié existant entre les deux grands peuples."

Enclosure 2 in No. 27.

Extract from the "République" of March 13, 1927.

LES BASES DE NOTRE NOUVEAU TRAITÉ COMMERCIAL AVEC LA RUSSIE.

AU sujet du Traité commercial signé hier, notre premier délégué Ali Djénani Bey nous a fait les déclarations suivantes :

"Le traité se compose de trois parties relatives au commerce, au séjour et à la navigation.

"En ce qui concerne le séjour, les deux parties contractantes s'engagent réciproquement à accorder aux ressortissants de l'autre partie le traitement de la nation la plus favorisée.

"Les ressortissants des deux pays jouiront du même traitement appliqué aux nationaux des deux pays respectifs. Les bases de l'accord relatives aux échanges commerciaux prévoient une équivalence quantitative des importations et exportations entre les deux pays. Par cette clause du traité, les exportations turques en Russie ne doivent pas dépasser les exportations russes en Turquie.

"Une partie de nos exportations en Russie se feront pas les soins du Vinischtorg et une autre par le commerce libre. La République soviétique consent à appliquer aux plus importants des produits turcs le tarif asiatique qui est le tarif douanier le plus réduit.

"Les détails de ce tarif ont été examinés et arrêtés d'un commun accord, constituant un appendice au traité.

"Nos produits d'importance secondaire seront assujettis au traitement de la nation la plus favorisée.

"Le traité renferme en outre certaines clauses relatives à l'exportation de la monnaie de la contrevaleur des articles à importer en Russie par les négociants turcs. Selon ces clauses, au cas où les marchandises seraient vendues aux institutions étatiques, le 70 pour cent de la contrevaleur sera réglé en monnaie étrangère, le 30 pour cent en produits russes destinés à l'exportation. Au cas où les marchandises seraient vendues à la population, la moitié de la contrevaluer sera

réglée en monnaie étrangère et l'autre moitié en produits russes. Certains droits aussi sont reconnus aux Vinischtorgs, c'est-à-dire aux représentants du commerce extérieur.

"Le représentant du commerce russe et deux de ses adjoints jouiront des droits reconnus aux agents politiques relevant des Ambassades. Les locaux de la représentation commerciale à Angora et à Constantinople bénéficieront en outre de l'exterritorialité, avec la réserve qu'aucun empêchement ne saurait être dressé à l'application intégrale des lois judiciaires.

"Les divisions Vinischtorgs avec ceux d'Angora et de Constantinople seront au nombre de six. Les droits reconnus aux représentants du commerce extérieur russe seront accordés à titre de réciprocité lors de la création d'une ou de plusieurs représentations commerciales turques en Russie. Les clauses du traité relatives à la navigation, prévoient la navigation libre dans les eaux des deux pays et, dans les ports un régime identique à celui réservé à la navigation nationale.

"Voilà les conditions essentielles réglant d'une façon satisfaisante les rapports entre les deux pays."

[**E 1479/1479/44**] No. 28.

Mr. Hoare to Sir Austen Chamberlain.—(Received March 28.)

(No. 148.)

Sir, *Constantinople, March 23, 1927.*

THE Turkish Government is well aware that the smallness of the population of Turkey is one of her chief weaknesses. Turkish officials usually state that the population is about 14 millions. Well-informed foreign observers usually reckon it at 7 or 8 millions, but others put it as low as under 5. What the truth is is not likely to be known unless the Belgian statistical expert, M. Jacquart, who has been directing the census of certain towns, is ever able to extend his work over the whole of Turkey. Meantime the Government takes an increasing interest in all that concerns the size of the population. A newspaper agitation recently arose on the subject of infant mortality, which is well known to be heavy throughout the country. The press talked of a rate of 75 per cent. The Minister of Health at once deprecated such exaggeration, stated that it was probably about 30 per cent., and that in the last two or three years the excess of births over deaths had undoubtedly been 25 per cent., but at the same time admitted that, as there were no statistics, neither he nor anyone else really knew what the truth was. A pamphlet in Turkish advocating birth control has in the same way met with immediate attention from the Government which impounded all copies obtainable and instituted penal proceedings against the author, a Turk.

2. For the present, however, the chief hope of the Government lies in inducing Moslems from other countries to settle in Turkey. Non-Moslems, of course, are not wanted. Whereas White Russian Moslem refugees here have readily been given Turkish nationality, the few thousand other White Russians who remain here cannot obtain it and are, I believe, faced with the prospect of expulsion to Russia—if no other country will have them—at the beginning of next August. Of Moslem immigrants, the authorities state that they hope to see as many as 100,000 arrive in the next twelve months—50,000 from Russia, 15,000 from Syria, 9,000 or 10,000 from Cyprus, 9,000 from Jugoslavia, 8,000 from Bulgaria, and so on. Land, houses, oxen and two years' exemption from military service are to be given. The 50,000 Russian Moslems are to be settled in Kurdish districts like Diarbekir, Kharput and Mush. Those from Syria and Cyprus are to be put along the Mediterranean coast. Such is the scheme as fathered by hope. The practical difficulties are obviously enormous, and the chief perhaps is that the expected immigrants may be unwilling to come. Even the peasants of neighbouring countries must by now know well enough that the one place where a true believer is forced to wear a hat, and where the practice of his religion detracts from rather than enhances his social position, is Turkey. He may also have heard of the awful privations endured by the Moslem immigrants from Greece in 1924. He may therefore be in no mood to leaven the lump of Kurdish rebellion in the inhospitable provinces of the east, nor to dress windows on the south coast for the benefit of the Italians. Turkish consuls have probably instructions to carry on quiet propaganda to help the scheme. Shukri Kaya Bey, the ex-Minister for Foreign Affairs, himself a native of the Island of Kos, recently confided to a member of this Embassy that Italian policy towards Turks in the Dodecanese was so unfriendly that members were leaving. I believe Italian policy to be the reverse, and conclude that the consul in Rhodes has

prevailed on some of his fellow Turks to leave. From Mersina Mr. Chafy reports that a number of Cypriot Moslems have already arrived, having opted in accordance with specious promises made to them by the Turkish consul there, and that their disillusionment on arrival in Turkey has been immense. Although administration in general is not so chaotic as it was in 1924, when the Moslems arriving from Greece were sent to abandoned villages up country to die off like flies or left in compounds to much the same fate, there are no adequate funds or organisation for the settlement of immigrants—a difficult task for even the most efficient Government—and I can but think it would be a kindness if intending immigrants in Cyprus could be given a discreet word of warning.

3. I am sending a copy of this despatch to the Governor of Cyprus.

I have, &c.
R. H. HOARE.

[**E 1575/17/44**] No. 29.

Mr. Hoare to Sir Austen Chamberlain.—(*Received April* 4.)

(No. 158. Confidential.)

Sir, *Constantinople, March* 30, 1927.

IT is nearly a year ago since Sir R. Lindsay reported in his despatch No. 199 of the 20th April on a typical social function at Angora. Such functions have increased in number and have been decidedly indecorous. Now, however, a change seems to have intervened as the result probably of a hint given to Ismet Pasha by Sir George Clerk.

2. A ball was given for the Ghazi a few days ago at which his Excellency danced with the ladies of the diplomatic circle in strict order of precedence and remained strictly sober throughout the dancing and during the "conversation" which he subsequently had with Mr. Hadow.

3. I should explain that the Ghazi has formed a curious habit of delivering, in the course of the ball, rambling disquisitions on his political views and experiences during the great war to such members of the company who happen to be in his presence at the moment when the spirit moved him. This usually occurred at any time between 2 and 4 A.M., by which hour his Excellency had hitherto been in a state of exaltation which detracted from the significance of his words. On the present occasion, however, after dancing with Mrs. Hadow, the junior diplomatic lady, he sent for Mr. Hadow, and some of his utterances are worthy of record. He talked for an hour and a half, and, though champagne was in abundant evidence, he remained sober throughout.

4. His Excellency first talked at considerable length of the lessons of the Palestine campaign, making his interpreter blush by the vigour of his denunciations of General von Falkenhayn. These reminiscences led him, after passing reference to that "low Jew-born leader of Macedonian bands, Enver," to the founders of the Turkish Empire and then back to modern events, and so to the statement that, though Mr. Lloyd George's policy had caused him very great difficulties, he had all along known that the British nation was not at heart hostile to Turkey, and the attitude of His Majesty's Government had shown that he was right, and he trusted that they would continue in their present course.

5. Mr. Hadow reports that his Excellency returned three times to this topic. He described Great Britain as the greatest of all nations in the world; the world's greatest coloniser; the nation which, by its valour and perseverance, had succeeded in building up the greatest of all empires; the people in whose fairness he trusted. Intermingled with these flattering references to Great Britain, and almost as if there was a definite purpose in it, was his abuse of the Jews, who were, he said, a menace to Turkey. In his mind, their dangerous characteristics appeared to be personified in the person of Halidé Edib Hanoum, wife of Adnan Bey, who at the time of the occupation had worked against us to bring about an American mandate over Turkey. It was, he said, a curious trick of fate that the country which she had then consistently sought to damage should now be affording her shelter. Mr. Hadow gathered the impression that the warmth of his reference to England and his insistence on the iniquities of Halidé Edib Hanoum indicated some uneasiness regarding the activities of the Turkish political refugees in England and elsewhere. His Excellency hinted that he intended

to publish some correspondence which would lead His Majesty's Government to take action against these plotters. Mr. Knox had personally heard in this connection from an intimate friend of the Ghazi, who is editing his Excellency's memoirs and correspondence, that a good deal of the latter covering the years of the Nationalist movement would shortly be published. He gathered that the main object of publication would be to cast ridicule on the former leaders of the Opposition, and that the more unflattering references to the Powers in occupation would be expunged.

6. Of current political events the Ghazi made no mention, except to say, after uttering the word "Balkans," "but my Ministers dislike my talking politics." As he said this he fixed his eye on the Minister for Foreign Affairs, who endeavoured to look unconcerned behind a glass of champagne.

7. It would be quite unwise to attach any special importance to the Ghazi's utterances, but they are a clear indication that the present tendency of the Turkish Government to cultivate better relations with His Majesty's Government has the approval of the director of Turkey's destinies. Exactly how far the Turks will go depends, I think, more on the views held in Moscow than on anything else, as nothing short of a definite guarantee by His Majesty's Government would be regarded as adequate compensation for any cooling off in their relations with the Soviets, who have in the eastern vilayets ample scope for political blackmail.

I have, &c.
R. H. HOARE.

[**E 1638/13/44**] No. 30.

Question asked in the House of Commons, April 6, 1927.

Mr. Scurr asked the Secretary of State for Foreign Affairs whether the Ambassador to Turkey resides in Constantinople or Angora; and, if he still resides in Constantinople, when it is proposed that he shall take up residence in Angora, the capital of Turkey and the seat of the Government of that country?

Answer.

Sir Austen Chamberlain: The Ambassador repeatedly visits Angora for the transaction of business with the Turkish Government, but it is not possible for him at present to reside there permanently, as the limited accommodation at present available is fully occupied by the members of his staff who are stationed there. It is proposed to build a house which will provide reasonable accommodation both for the Ambassador and an increased staff, and plans are now under consideration.

[**E 1672/255/44**] No. 31.

Mr. Hoare to Sir Austen Chamberlain.—(*Received April* 11.)

(No. 168.)

Sir, *Constantinople, April* 6, 1927.

I HAVE the honour to transmit to you herewith a copy of the draft law relative to the creation by the Turkish Government of a "Conseil supérieur économique."

2. It is proposed that the Economic Council should commence its functions at the beginning of the coming financial year, and, in order to cover the expenditure which will be incurred as a result of the formation and maintenance of this new consultative body, a provisional credit of £T. 240,000 has been included in the budget estimates for 1927–28.

3. It will be observed that the Economic Council will consist of twenty-four members, elected for a period of four years, and a permanent secretary-general. Twelve members will be nominated by the Council of Ministers and the remainder will be elected by the various commercial organisations in the country. The council will sit for a minimum of fifteen consecutive days every six months.

4. It remains to be seen whether the council, if and when constituted, will be of any real service to the Government. In theory, the idea of establishing a centralised organisation for the examination of all matters affecting the economic welfare of the country is to be recommended, but the value of the council as an advisory body will

necessarily depend upon the qualifications and character of its members. If it is instrumental in putting a check on the prevailing system whereby economic, financial and commercial measures, hastily contrived and inadequately discussed, can be passed into law without any effective examination outside the Ministries immediately concerned, some useful purpose may be achieved, but it is doubtful whether any independent and effective control and criticism can be hoped for in a body whose members will probably be nominated or elected principally by reason of their fervid support of the Government.

I have, &c.

R. H. HOARE.

Enclosure in No. 31.

Projet de Loi sur la Création du Conseil supérieur économique.

ARTICLE 1er. Il est créé un Conseil supérieur économique rattaché à la Présidence du Conseil, fonctionnant dans la capitale de l'État et composé de vingt-quatre membres, avec un secrétaire général ayant qualité de membre et trois adjoints.

Art. 2. Le président honoraire du Conseil supérieur économique est le président du Conseil des Commissaires, et le vice-président honoraire le Commissaire du Commerce. Les membres procèdent, pour chaque session, à l'élection, parmi eux, d'un président et d'un vice-président.

Art. 3. Les membres du Conseil des Commissaires, les Sous-Secrétaires d'État, les directeurs généraux, et ceux qui seront désignés à cet effet par les commissaires, prennent part aux réunions et délibérations du Conseil supérieur économique, mais sans avoir le droit de vote.

Art. 4. Les attributions et fonctions du Conseil supérieur économique sont les suivantes :

(*a.*) Émettre des avis sur les projets de loi et de règlement intéressant la vie économique du pays, élaborés par le Gouvernement, ainsi que sur les questions économiques qui lui seront soumises par le Gouvernement ;

(*b.*) Rechercher dans quelle mesure les lois et règlements d'ordre économique répondent aux besoins du pays, étudier dans quelle mesure ces lois et règlements sont en harmonie et concordent entre eux, et proposer au Gouvernement les modifications qui seraient jugées nécessaires ;

(*c.*) Étudier les modes et systèmes qu'exigent nos besoins économiques ;

(*d.*) Suivre les courants généraux économiques, examiner dans quelle mesure ils influent sur la vie économique du pays, et soumettre au Gouvernement les résultats de ses travaux sur ces questions.

Art. 5. Pour les quatre premières années, douze membres du Conseil supérieur économique seront choisis directement par le Conseil des Commissaires, l'un parmi les militaires et les onze autres parmi des spécialistes ; les douze autres membres seront choisis par les établissements et organismes économiques, conformément au règlement qui sera élaboré par le Conseil des Commissaires.

A l'expiration de ce délai, le mode de nomination et de choix pourra, s'il y a lieu, être modifié par décision du Conseil des Commissaires. Le secrétaire général et ses adjoints sont appointés ; leurs fonctions sont permanentes ; ils sont nommés par le Conseil des Commissaires. Les secrétaires, traducteurs et autres employés nécessaires pour le service des bureaux seront nommés par la Présidence du Conseil des Commissaires.

Art. 6. Les décisions du Conseil supérieur économique ont un caractère purement consultatif et sont prises par vote et à la majorité.

Art. 7. La durée du mandat des membres est de quatre ans.

A la fin des deux premières années, la moitié des membres choisis par le Gouvernement, ainsi que la moitié de ceux choisis par les établissements intéressés, sont remplacés par voie de tirage au sort. Les membres sortants sont rééligibles.

Art. 8. Les délibérations du Conseil supérieur économique portent sur l'ordre du jour et le programme élaboré par la Présidence du Conseil. Les questions non inscrites dans ce programme ne peuvent pas faire l'objet d'une délibération.

Si un membre désire qu'une question soit mise en délibération, il devra en adresser la demande au secrétariat général, avec un exposé des motifs, et obtenir par l'entremise du secrétariat général l'approbation de la Présidence du Conseil des Commissaires.

Art. 9. Le Conseil supérieur économique se réunit au moins une fois par semestre pendant quinze jours consécutifs. Il délibère sur les questions qui lui sont soumises par le Gouvernement par l'entremise du secrétariat général, ainsi que sur celles énumérées dans l'article 4, qui, proposées par les membres du conseil, ont été approuvées et référées au conseil par la Présidence du Conseil des Commissaires. Les copies des procès-verbaux relatifs aux délibérations et résolutions du conseil sont remises à la présidence du Conseil des Commissaires par le secrétaire général dans les quinze jours qui suivent la réunion. La session du conseil peut être prolongée, en cas de besoin, de quinze jours encore par décision du Conseil des Commissaires.

Art. 10. Le Conseil supérieur économique doit faire connaître, au plus tard dans une année, son avis sur les questions qui lui ont été soumises par le Gouvernement.

Art. 11. Les membres du Conseil supérieur économique touchent, à titre d'allocation, leurs frais de déplacement et autres frais indispensables, ainsi que des jetons de présence pour les jours de séance.

Ces allocations, ainsi que les autres frais du conseil et les appointements du secrétaire général, de ses adjoints et des autres employés, sont fixées par le Conseil des Commissaires et compris dans le budget de la Présidence du Conseil.

Art. 12. Le Conseil des Commissaires procédera à l'élaboration d'un règlement sur le mode d'application des dispositions de la présente loi.

Art. 13. La présente loi entre en vigueur à partir de sa publication.

Constantinople, le 2 avril 1927.

[**E 1865/74/65**] No. 32.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received April* 25.)

(No. 192.)

Sir, *Constantinople, April* 20, 1927.

I HAVE the honour to report an announcement in the newspaper "Vakt" of to-day to the effect that the Government has demanded that the Persian Government shall put a stop to the raids conducted by Simko from Persian into Turkish territory. Unless this is a belated report of the Turkish pressure of which the Persian military attaché complained to Major Harenc (see Mr. Hoare's despatch No. 122 of the 5th ultimo), it would seem that the Turks are still trying to make the Persians take action against the Kurds.

2. The eastern provinces remain closed to travellers, and hardly any news is available as to the amount of success attending Turkish policy and methods of pacifying Kurdistan. In a leading article on the subject on the 17th instant the "Milliet" managed to say very little, but it was unable to describe the general situation in the eastern provinces as anything more reassuring than "quiet as compared with previous years." This suggests what I suspect to be the case, namely, that there are large areas where the Government has been unable—and perhaps has not got as far as attempting—to establish its authority. Twelve hundred persons, members of the families of persons concerned in the rebellion, have, it is stated, already been sent to places further west, and 300 more are to follow. It is natural that there should be a decision, as apparently there has, to employ no Kurdish officials in the eastern vilayets. The work of making the Kurds good citizens, it is urged in the press, should be undertaken by the Turkish "ojaks" or clubs which have played such a large part in the modernisation of the Turks themselves. Three months ago there was talk of an amnesty for Kurdistan, but none has emerged from the Assembly. Such measures are perhaps still thought premature.

3. It is to be noted that the leading article in the "Milliet" quoted above complains of frontier incidents in general, but mentions only the Syrian frontier in particular.

4. I am sending copies of this despatch to His Majesty's High Commissioner for Iraq and to His Majesty's Minister at Tehran.

I have, &c.

GEORGE R. CLERK.

[E 1885/17/44] No. 33.

Mr. Kennard to Sir Austen Chamberlain.—(Received April 25.)

(No. 165.)

Sir, *Belgrade, April 21, 1927.*

I HAVE the honour to report that rumours have been current that General Zivkovic, General Officer Commanding the Guards Division on whom I reported in my despatch No. 138 of the 7th April, is proceeding to Constantinople on some confidential mission. The origin of these rumours appears to be the fact that the general has obtained visas from the Bulgarian Legation for this journey for himself, General Milosavljevic and Colonel Savic. I met General Zivkovic at the Palace recently and while I had some conversation with him, he made no mention of any early departure from Belgrade. The Chief of the General Staff, whom I questioned on the subject, stated that there was no question of the general having any mission and that, if he was going on any journey, it could be only one of pleasure in connection with the Easter holidays. It has, of course, been suggested that Jugoslavia might come to some arrangement with Turkey under which, in the event of hostilities with Italy, Turkey would prevent Bulgaria falling on the Serbian rear by a demonstration in the Adrianople area.

2. My Greek colleague was much perturbed by the sudden departure of the Turkish Minister for Angora immediately after the presentation of the Italian accusations against this country to the three Powers last month. Hikmet Bey has not yet returned from Angora, and it is thought in some quarters that he may arrive with proposals of a political nature to place before the S.C.S. Government. While I have no confirmation of any of these rumours, it might be useful to carefully watch any developments in the relations between Turkey and Jugoslavia at the present moment.

3. I am sending a copy of this despatch to His Majesty's Ambassador at Constantinople.

I have, &c.
H. W. KENNARD.

No. 34.

Sir G. Clerk to Sir Austen Chamberlain.—(Received April 28.)

(No. 2.)

(Telegraphic.) *Angora, April 27, 1927.*

BELGRADE despatch No. 65 of 21st April.

Minister for Foreign Affairs has learnt that General Zivkovic has asked for diplomatic visa, but knows nothing of any mission, and says he does not propose to receive the general.

General tone of Minister for Foreign Affairs' references to Jugoslavia was distinctly cold. Turkish Government are annoyed at Jugoslavia's delay in restoring Turkish property.

I believe that Hikmet Bey's visit to Angora was partly in connection with this question and partly to assist in preparation of Ghazi's historical review of rise and progress of Turkish Republic, which is to be delivered on 19th May. Hikmet Bey was Under-Secretary of State for Foreign Affairs in the early days, and the only person who can find his way in the archives.

(Repeated to Belgrade.)

No. 35.

Sir G. Clerk to Sir Austen Chamberlain.—(Received April 28.)

(No. 3.)

(Telegraphic.) *Angora, April 27, 1927.*

MY immediately preceding telegram.

I was rather surprised at warmth of Minister for Foreign Affairs' allusions to Italy, with whom he describes relations as excellent, in marked distinction to his references to Jugoslavia.

He professed to have had from the start no anxiety as to Tirana incident and its possible consequences, but his first words to me were to ask eagerly whether His Majesty's Government had inspired the leading article in the "Times" of 10th April. I said that "Times" was entirely independent, and the views it expressed were its own.

[E 1992/17/44] No. 36.

Mr. Kennard to Sir Austen Chamberlain.—(Received May 2.)

(No. 173.)

Sir, *Belgrade, April 25, 1927.*

WITH reference to my despatch No. 165 of the 21st April, I have the honour to report that General Zivkovic did not proceed to Constantinople as he had intended to. The Minister for Foreign Affairs tells me that his journey, which was one merely of pleasure in connection with the Orthodox Easter holidays, had apparently caused so much alarm in the Bulgarian and other Legations that the Minister of War had declined to sanction his departure and the General had therefore spent his holidays elsewhere.

2. I am sending a copy of this despatch to His Majesty's representatives at Constantinople and Sofia.

I have, &c.
H. W. KENNARD.

[E 2097/128/44] No. 37.

Sir G. Clerk to Sir Austen Chamberlain.—(Received May 9.)

(No. 204.)

Sir, *Constantinople, May 3, 1927.*

WITH reference to your despatch No. 161 of the 26th February last, in regard to the possibility of British participation in railway and other enterprises in Turkey, I have the honour to inform you that, in so far as the contracts actually passed between the Turkish Government and Swedish and Belgian groups are concerned, an examination of the financial risks involved therein was contained in my despatch No. 102 of the 5th March last.

2. As regards existing British enterprises in this country, their administration and the degree of security which they enjoy is presumably covered by their statutes, which are registered with, and approved by, the Turkish Government, and the protection of such companies must necessarily depend upon the safeguards contained in these statutes.

3. In so far as prospective British interests in Turkey are concerned, my views in connection with the three specific questions raised in your despatch under reference are as follows:—

(*a.*) It would, I think, be useless for British firms proposing to open negotiations with the Turkish Government to lay down any specific conditions as a preliminary to such negotiations. The Government is well pleased that definite agreements have been entered into with the Swedish and Belgian groups, and is gratified that other foreign groups are showing some disposition to invest money in the country. In these circumstances, the Government would probably resent, and decline to entertain, any attempt to secure preliminary safeguards. In any event, whatever preliminary conditions were laid down would have to be incorporated in the contract eventually drawn up, and it seems, therefore, that it would be better for British firms to reserve their specific conditions until actual negotiations are opened.

(*b.*) Any British group which may enter into a contract to carry out undertakings of public utility in this country should, of course, require specific guarantees from the Government in order to ensure that the financial conditions attaching to such guarantees are observed. The Belgian and Swedish groups were prepared to accept the bonds issued by the Turkish Government, and these bonds were, in their turn, covered by the revenues derived from the tobacco, spirits and match monopolies. The only additional guarantee secured was that of the Agricultural Bank, which, as stated in my despatch under reference, is so financially dependent on the Government that its guarantee adds nothing to the financial security of the bonds. The function of the Agricultural Bank in this matter is simply that of the Government's agents entrusted with the actual banking operations involved. It might conceivably happen at any given moment that the Government itself would be short of funds to cover the bonds as they fall due, and the rôle of the Agricultural Bank in such a case would

be, by its connection with other banks, to raise the money required in order to avoid the prospect of having its bills protested. I am very doubtful, however, whether any British enterprises proposing to undertake works of public utility in this country would be able to secure any greater or better guarantee than that already accepted by the Belgians and the Swedes. The question of obtaining the guarantee of an outside bank, such as the Ottoman Bank, may be ruled out, as I am very doubtful whether any financial establishments other than those created by the Turkish Government itself would be prepared to give such a guarantee. To ask any bank to guarantee the credit of the Turkish Government over a number of years would probably be useless, as such an operation is outside the province of ordinary banking business, not only in Turkey but in most other countries as well.

(*c.*) Although doubt was expressed as to the result of the contracts entered into by the Belgian and Swedish groups, I do not consider that a general and unconditional warning should be given against the investment of British capital in Turkey. If British firms could obtain no greater security than that offered to the foreign groups in question, I should be reluctant to recommend them to enter into any undertaking, which involved the extension to the Government of prolonged credit, in this country, and, as stated in the preceding paragraph, it is doubtful whether the guarantee which the Turkish Government would be willing to offer will, in any circumstances, differ materially from that given to the Belgians and Swedes, *i.e.*, the financial security offered must in any case depend solely and directly upon the ability or failure of the Turkish Government to meet their commitments. In these circumstances, the question remains as to what safeguards British firms can take to guarantee the execution by the Government of their engagements, and in this connection I would submit that the following measures should be considered :—

(1.) British firms should be advised against investing money in any undertaking which is not in itself economically sound and, moreover, the undertaking should have a reasonable prospect of paying for itself at an early date. The contracting group could in this case protect itself by the insertion of a clause to the effect that in the event of failure of the Turkish Government to meet their financial engagements, the revenues from the undertaking itself should be hypothecated to the company.

(2.) In the event of the Turkish Government not meeting their financial engagements the contracting group should be given a direct lien upon the revenues on which these financial engagements were secured.

(3.) In general, British firms should be warned against entering into contracts, to be fulfilled over a considerable number of years, and some guarantee should be secured that in the event of war the revenues assigned as security for payment cannot be diverted to any other purpose.

(4.) It should be clearly specified that foreign groups to whom the credit of the Turkish Government is already pledged can possess no prior right of payment.

4. These considerations apply, of course, to public works and other undertakings which involve an outlay of capital and the extension of credit to the Turkish Government.

5. As regards mining enterprises, the erection of factories, agricultural schemes, &c., which would be administered by, and for the profit of, the companies themselves, I do not consider that any preliminary precautionary measures are necessary which would not be required in other countries.

6. The Turkish Government are, I believe, genuinely anxious to develop agriculture and industry and would welcome any undertakings from which they derive a return, either directly in the payment of royalties or indirectly in the payment of taxes, and which, moreover, add to the general prosperity of the country.

I have, &c.
GEORGE R. CLERK.

[**E 2099/128/44**] No. 38.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received May* 9.)

(No. 207.)

Sir, *Constantinople, May* 3, 1927.

IN paragraph 6 of my despatch No. 102 of the 5th March last, relative to the general situation in regard to railways in Turkey, reference was made to the activities of a German group which was in negotiation with the Turkish Government for the construction of a railway from Kutahia to Tavchanli.

2. According to the local press, a preliminary agreement has now been concluded between the Ministry of Public Works and Messrs. Julius Berker of Berlin, the German firm in question, relative to this line, but no details are yet available as to the financial conditions attaching to the contract. The agreement has, as yet, only been initialled and has been referred to the head office of the contracting firm for approval.

3. I am informed that Messrs. Sir John Jackson (Limited), Civil Engineering Contractors, of 53, Victoria Street, Westminster, have recently been in treaty with the Ministry of Public Works for the construction of a railway from Ada-Bazar through Castamouni to a point on the Samsoun–Sivas Railway. I have no reliable information in this connection, but from a statement made to the commercial secretary to this Embassy by a certain Colonel Owen, who claims to be holding a watching brief on behalf of Sir John Jackson (Limited), it would appear that the British firm are in association with a Swiss-Dutch financial group, which apparently has offered to underwrite the Government's bonds, and on the strength of this guarantee Sir John Jackson (Limited) are prepared to carry out the construction of the line.

4. According to the same informant, an agreement was reached in principle by the parties concerned, and the question has now been referred back to the London firm for their consideration.

5. I give these details with due reserve, as Colonel Owen does not inspire any great degree of confidence, but it might be of interest to the Anglo-Turkish Trust Company (Limited) to learn that such a project, involving the participation of a reliable British firm of contractors, is under consideration.

I have, &c.
GEORGE R. CLERK.

[**E 2100/17/44**] No. 39.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received May* 9).

(No. 208.)

Sir, *Angora, April* 27, 1927.

MY Italian colleague has been good enough to give me in confidence a summary of a recent conversation with the Minister for Foreign Affairs, which to some extent supplements the information in my telegram No. 2 of to-day, relative to the rumoured mission of General Zivkovic to Angora.

2. Tewfik Rushdi said much the same to M. Orsini as to me about his ignorance of any mission or of any reason for one, beyond a settlement of the Turkish claim for the restoration of Turkish properties, which the Jugoslav Government was showing little desire to effect. His Excellency added that Turkey had no intention of giving any support to Jugoslavia in her dispute with Italy, and observed that his information was that that country was drawing towards Bulgaria rather than Turkey. In fact, so far as his Excellency was uneasy at all, his uneasiness was inspired by Bulgaria more than anything. Bulgaria was working on the one hand for the withdrawal of Allied military control and on the other for a rapprochement with the Jugoslavs. If she succeeded, the whole Balkan position would be changed, to Turkey's detriment, and the Turkish Government could no longer be expected to be bound by the Thracian Frontier Convention of the Treaty of Lausanne, but would have to take such measures as might be necessary, such as fortifying Adrianople, to ensure her own defence. I gather that my Italian colleague thought it useless to suggest to the Minister for Foreign Affairs that the convention itself provides for any complaint that a bordering Power may have to make being brought before the Council of the League of Nations.

3. *April* 28.—The "République" of yesterday, which reached me here to-day, publishes a telegram, nominally from Paris, of the 25th April, stating that the

Bulgarian Minister there, M. Todoroff, maintains that a Serbo-Bulgarian *entente* is the first condition of that Balkan solidarity which must be effected if M. Mussolini's designs on Balkan independence are to be arrested.

I have, &c.
GEORGE R. CLERK.

[E 2205/495/44] No. 40.

Sir G. Clerk to Sir Austen Chamberlain.—(Received May 16.)

(No. 224.)

Sir, *Constantinople, May 11, 1927.*

I HAVE the honour to inform you that M. Pavloff has presented his letters of credence at Angora and has taken up his residence as Bulgarian Minister in Turkey.

2. As reported in Mr. Hoare's despatch No. 161 of the 30th March, the long delay in appointing a Minister had been regarded as a deliberate mark of unfriendliness, but the speeches exchanged were fully up to the usual standard of cordiality, and Turco-Bulgarian relations are, so far as I am aware, now quite normal.

3. I am sending a copy of this despatch to His Majesty's Minister at Sofia.

I have, &c.
GEORGE R. CLERK.

[E 2392/495/44] No. 41.

Sir G. Clerk to Sir Austen Chamberlain.—(Received May 30.)

(No. 248.)

Sir, *Constantinople, May 26, 1927.*

WITH reference to my despatch No. 239 of the 19th instant, I have the honour to report that Admiral and Mrs. Bristol left Constantinople yesterday and were seen off at the station by a very large assembly representing all interests and nationalities. It was, indeed, as enthusiastically described by a Frenchman, "une belle gare."

2. The Bristols have been prominent figures at Constantinople for eight years and have entertained on a wider scale, though with all reasonable economy, than any other foreign representative here and they have been at pains to cultivate intimate relations in native circles.

3. During the occupation, Admiral Bristol's relations with the British, French and Italian High Commissioners (more especially the two latter) were frequently difficult. The nature of these difficulties is shown in the correspondence ending with Sir H. Rumbold's despatch No. 536 of the 12th June, 1922. It shows Admiral Bristol as extremely stubborn at that time in the maintenance of American interests, which he believed to be prejudiced by the decision of the three Allies.

4. In a sense the admiral has been true to this aspect of his character throughout his stay in Turkey. In his dealings with the Turkish Government he has concentrated, so far as an outsider can judge, on one thing, and to that he has subordinated all other considerations. By the exchange of notes, reported in Mr. Hoare's despatch No. 134 of the 10th March last, he achieved the substance of his ambition and Turco-American relations were at last put on a regular footing. This stubborn singleness of purpose, combined with an apparently genuine liking for the Turks and for the Ghazi personally, has led him to overlook much. American missionary, educational and commercial interests were victims of the acute xenophobia, which only ceased recently, to a greater degree than those of any other great Power. So far as I am aware, Admiral Bristol never once took a firm stand when an appeal to Turkish goodwill had failed, and it is certain that American educational institutions in Anatolia have practically entirely disappeared. Robert College has survived, but even that great institution has repeatedly been made to bow beneath the weight of modern Turkey's hand.

5. It has been felt that Admiral Bristol's attitude has greatly increased the difficulty of the signatories of the Treaty of Lausanne in maintaining the rights of their nationals as defined in that treaty, and this is no doubt the case. It is therefore not surprising that he conveys the impression of being anti-British or anti-European. I do not feel that I have known him long enough to decide definitely whether this impression is correct. But I feel that the mentality which has made him rather

aggressively pro-Turkish may lead him, in not altogether dissimilar circumstances in China, to be inconveniently pro-Chinese. He has probably a tendency to believe that the under dog is bound to be right or alternatively that the top dog is sure to be wrong. The danger of his being a thorn in the flesh in China will be reduced if this very human outlook on life is not forgotten by those who have occasion to discuss Chinese affairs with him.

6. Admiral Bristol has issued a farewell message to the local press, of which I have the honour to enclose a copy.* This message has naturally gone straight to the heart of Turkish journalists, one of whom describes him as "the solitary pearl in a necklace of diplomatic thorns."

7. I would only add that during the few months I have been here my personal relations, and those of my staff, with both Admiral and Mrs. Bristol have been exceptionally cordial. My final impression of the admiral is that he likes us as individuals, but disapproves of us as a political institution.

I have, &c.
GEORGE R. CLERK.

[J 1536/8/16] No. 42.

Sir G. Clerk to Sir Austen Chamberlain.—(Received June 7.)

(No. 267.)

Sir, *Constantinople, June 1, 1927.*

I HAVE the honour to report that the news of the despatch of British men-of-war to Egypt has been given great prominence in the local press. I do not doubt that it has created a deep impression. The Turk, of course, knows that in similar circumstances his own action would be much more drastic, and from that point of view he doubtless thinks the measure natural enough. But the recollection of the Allied—or, as he feels, British—occupation of Constantinople is still fresh enough for him to have sympathy with the Egyptian. However, the only comment which has appeared is a restrained leader in the Government paper, the "Milliet," of the 1st June, which discusses the problem objectively and dwells upon the anomaly of the position of Egypt. I have the honour to enclose a copy of the article.*

2. I have sent a copy of this despatch to His Majesty's High Commissioner for Egypt.

I have, &c.
GEORGE R. CLERK.

[E 2492/402/44] No. 43.

Sir G. Clerk to Sir Austen Chamberlain.—(Received June 7.)

(No. 272.)

Sir, *Constantinople, June 1, 1927.*

WITH reference to Mr. Hoare's despatch No. 137 of the 16th March last, I have the honour to transmit herewith the text of the Turco-Soviet Treaty of the 11th March last, as published unofficially in the press. I have no doubt that this text contains inaccuracies and it is obviously a bad translation, but it is of some interest, although it follows the lines indicated in Mr. Hoare's despatch.†

2. Articles 1 to 9 are devoted to conditions of residence, business and taxation. The general basis is most-favoured-nation treatment combined with national treatment. A few points are worth noticing. The second paragraph of article 1 seems to suit the Turkish purpose of keeping Bolsheviks away from Kurdistan, though weakened by the exception which follows. Family status, marriage and inheritance have been left for future negotiation (article 3). The clause preventing Soviet nationals from holding real property outside towns in Turkey is introduced in accordance with a local law (article 5 and annex). Among "personnes morales" which may trade in Turkey (article 8) the annex explicitly includes official Soviet corporations. The last sentence in article 9 seems to be intended as a safeguard against such impositions in Turkey as forced contributions to the Aeronautical League.

* Not printed.

† The text as printed was received subsequently from His Majesty's Embassy at Constantinople and was translated from the authentic text of the treaty.

3. Articles 10 to 16 deal with the Soviet trade delegation. Its duties are defined as trade (article 10). The delegate, two assistants and the offices at Angora and Constantinople receive diplomatic immunity (articles 11 and 12). The trade activities of the delegation are made subject to Turkish law and Soviet Government property to sequester except such as is used in the exercise of sovereign rights or of political or consular duty (article 13). The places where the trade delegation may have branches are Constantinople, Smyrna, Trebizond, Mersina, Erzerum, Konia and Eskishehr (article 15). Turkey may have similar rights in Russia (article 16).

4. Articles 17 to 31 deal with commerce and shipping. Again the underlying principle is a combination of most-favoured-nation and national treatments. A clause in article 18 grants to Turkish goods the free transit viâ Batum which has already been granted by the Treaty of Kars. Rights over imperial Russian vessels which have escaped Soviet possession are reserved (article 23 and annex). The contentious question of Turkish imports into Russia is treated in article 27.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 43.

(Traduction.)

Traité de Commerce et de Navigation entre la Turquie et la Russie.

Titre 1er.—*Séjour.*

ARTICLE 1er.

LES ressortissants de chacune des deux parties contractantes auront le droit d'entrer librement dans le territoire de l'autre partie, d'y séjourner, à la condition de se soumettre aux lois en vigueur, et d'en sortir. A cet effet, les susdits ressortissants ne seront point soumis à un traitement moins favorable que celui auquel sont ou seront soumis les ressortissants de la nation la plus favorisée.

Il est entendu que les dispositions du présent article sont en dehors des autres dispositions du traité, et qu'elles ne peuvent limiter la liberté de chacune des parties contractantes d'interdire, aux ressortissants de l'autre partie l'accès de diverses parties de leur territoire, au cas où une pareille interdiction se trouverait appliquée aux ressortissants de tous les autres pays. Néanmoins, les ressortissants des pays limitrophes avec les régions interdites peuvent être exceptés des dispositions du présent article.

ARTICLE 2.

Les ressortissants de chacune des deux parties contractantes lors de leur entrée dans le territoire de l'autre partie et lors de leur sortie dudit territoire, conformément aux dispositions de l'article 1er du présent traité, auront le droit, en agissant conformément aux lois et règlements en vigueur dans les pays d'importation et d'exportation, d'importer et d'exporter les objets destinés à leur usage personnel ou à l'usage de leur maison. A cet effet, les ressortissants des deux parties contractantes ne seront point soumis à un traitement moins favorable que celui auquel sont ou seront soumis les ressortissants de la nation la plus favorisée.

ARTICLE 3.

Les ressortissants de chacune des deux parties contractantes séjournant sur le territoire de l'autre partie sont soumis aux lois et règlements du pays où ils se trouvent.

Les susdits ressortissants, pour l'établissement et la défense de leurs droits, pourront, librement, ester en justice à tous les degrés. En général, en matière de protection des lois et de justice, ils pourront profiter des droits qui sont reconnus, ou qui seront reconnus par la suite, aux ressortissants du pays où ils se trouvent.

Cependant, en ce qui concerne les cautionnements déposés en garantie du règlement des frais judiciaires et l'assistance judiciaire (facilités accordées aux nécessiteux), il sera appliqué aux ressortissants de chacune des deux parties, sur le territoire de l'autre partie où ils se trouvent, le même traitement que celui appliqué aux ressortissants de la nation la plus favorisée.

Les questions relatives au droit familial et à l'aptitude, ainsi que les affaires d'héritage avec ou sans dispositions testamentaires, feront l'objet d'un accord spécial à intervenir entre les deux parties contractantes dans un délai d'une année à partir de la mise en vigueur du présent traité.

ARTICLE 4.

Les ressortissants de chacune des deux parties contractantes seront, sur le territoire de l'autre partie, exempts de tout service obligatoire soit dans l'armée régulière, soit dans la milice, l'administration, la marine et l'armée. De même, ils seront exempts de toutes contributions instituées à titre équivalent à l'un des services énumérés ci-dessus.

Les susdits ressortissants seront également exempts de tous emplois officiels et obligatoires judiciaires, administratifs et municipaux.

En cas de catastrophe provoquée par les éléments naturels, les ressortissants de chacune des deux parties contractantes seront, sur le territoire de l'autre partie, tenus de contribuer aux travaux qui seront requis à cet effet.

En matière de contributions financières, de charges militaires et aussi de taxes et impôts affectés aux besoins militaires, les ressortissants de l'une des deux parties contractantes ne seront point soumis, sur le territoire de l'autre partie, à un traitement moins favorable que celui appliqué aux ressortissants du pays même.

Dans tous les cas, en ce qui concerne les contributions financières, les charges, les taxes et les impôts mentionnés au présent article, les ressortissants de l'une des deux parties contractantes ne seront point soumis, sur le territoire de l'autre partie, à un traitement moins favorable que celui appliqué aux ressortissants de tout autre pays.

ARTICLE 5.

Chacune des deux parties contractantes assure, aux ressortissants de l'autre partie, dans les questions relatives à l'acquisition, la propriété, la protection et la jouissance des biens de toutes sortes, le même traitement que celui qu'elle accorde à ses propres ressortissants et aux ressortissants de la nation la plus favorisée.

Le présent article ne cause aucun préjudice aux dispositions des lois turques relatives à l'interdiction aux ressortissants étrangers d'acquérir, en Turquie, les biens immobiliers situés hors des limites municipales; néanmoins, en ce qui concerne l'acquisition desdits biens immobiliers situés hors des limites municipales, les ressortissants de l'Union des Républiques socialistes soviétiques bénéficieront du traitement accordé, en Turquie, aux ressortissants de la nation la plus favorisée.

ARTICLE 6.

Les ressortissants de l'une des deux parties contractantes s'étant rendus, conformément aux clauses de l'article 1er du présent traité, sur le territoire de l'autre partie, pourront se livrer, sur ledit territoire à une activité industrielle et commerciale ainsi qu'à des travaux intellectuels et corporels en se conformant aux mêmes principes que ceux appliqués aux ressortissants de la nation la plus favorisée.

Les susdits ressortissants ne pourront point se livrer à un commerce ou à une industrie, ni exercer une profession ou un métier réservés aux ressortissants du pays même.

Néanmoins, lesdits ressortissants ne seront point, en ce qui concerne l'exercice de ces professions ou de ces métiers, soumis à des conditions moins favorables que celles auxquelles se trouvent ou se trouveront soumis les ressortissants de la nation la plus favorisée.

Il va sans dire que les branches de l'activité industrielle faisant l'objet d'un monopole d'État ou présentant quelque avantage pour la défense nationale sont exemptes de l'application des dispositions de l'alinéa 1 du présent article.

ARTICLE 7.

Les deux pays contractants s'engagent à reconnaître comme valables les conventions d'arbitrage conclues, conformément aux lois locales, entre les ressortissants ou les personnalités morales des deux pays, à la condition que les deux parties se trouvent établies sur le territoire de l'un des deux pays contractants.

De même, les deux pays contractants s'engagent à exécuter, dans les conditions ci-dessous, les décisions des arbitres désignés conformément aux contrats susmentionnés :

1. La mise à exécution des décisions des arbitres ne doit pas être contraire à une décision précédente formulée par les institutions juridiques de l'une des deux parties contractantes.

2. Les décisions ne doivent pas comprendre des dispositions contraires aux lois du pays dans lequel elles devront être exécutées.

ARTICLE 8.

Toutes sortes de personnalités morales qui seront établies conformément aux lois en vigueur sur le territoire de l'une des deux parties contractantes et qui se trouvent constituées dans le but de se livrer au commerce et à l'industrie ou dans d'autres buts économiques seront, sur le territoire de l'autre partie contractante, reconnues comme personnalités morales et, en particulier, auront le droit d'ester en justice en qualité de demandeur et de défendeur.

Il demeure entendu que les susdites clauses ne se rapportent pas au fait de savoir si une personnalité morale constituée sur le territoire de l'une des deux parties contractantes pourra ou non être admise à effectuer ses opérations sur le territoire de l'autre partie; ce fait demeure toujours soumis aux dispositions en vigueur, à cet effet, sur ce dernier territoire.

En tous cas, pour ce qui concerne la reconnaissance sur le territoire de l'une des deux parties contractantes d'une personnalité morale ressortissant de l'autre partie, pour l'accomplissement de ses opérations sur ledit territoire et pour tous autres détails, la susdite personnalité morale ne sera point soumise à des conditions moins favorables que celles auxquelles se trouvent ou se trouveront soumises les personnalités morales ressortissants de la nation la plus favorisée.

ARTICLE 9.

Les ressortissants de l'une des deux parties contractantes admis sur le territoire de l'autre partie ne seront point, tant en ce qui concerne leurs personnes que leurs biens et leur activité, astreints à des contributions et à des taxes plus élevées que celles auxquelles se trouvent ou se trouveront soumis, sous des conditions identiques, les ressortissants du pays même et les ressortissants de la nation la plus favorisée.

Les personnalités morales, gouvernementales ou privées, constituées sur le territoire de l'une des deux parties contractantes et admises à s'acquitter de leur profession sur le territoire de l'autre partie ne seront point, tant en ce qui concerne leurs biens ou leur activité que dans toutes autres circonstances, astreintes à des contributions et à des taxes autres ou plus élevées que celles auxquelles se trouvent ou se trouveront soumises, sous des conditions identiques, les personnalités morales analogues ressortissants de la nation la plus favorisée.

Les contributions encaissées comprennent aussi bien les taxes que les droits perçus au profit des municipalités et des corporations.

Titre II.—*Commerce et Navigation.*

ARTICLE 10.

Le monopole du commerce extérieur de l'U.R.S.S. appartenant à l'État, le Gouvernement turc accorde à la représentation et aux organisations commerciales de l'U.R.S.S. sur le territoire de la Turquie le pouvoir de s'acquitter des fonctions ci-après :

(*a*.) Veiller sur les intérêts de l'U.R.S.S. en matière de commerce extérieur;
(*b*.) Organiser, conformément aux clauses du présent traité, le commerce extérieur et l'échange de marchandises entre la Turquie et l'U.R.S.S.;
(*c*.) Réaliser le commerce extérieur de l'U.R.S.S. et travailler en vue du développement des relations commerciales entre la Turquie et l'U.R.S.S.

ARTICLE 11.

La représentation commerciale en Turquie de l'U.R.S.S., dont le siège est à Angora, forme partie intégrante de l'Ambassade en Turquie de l'U.R.S.S. Le

représentant commercial et ses deux adjoints sont compris parmi le haut personnel de l'Ambassade et bénéficient de l'immunité personnelle ainsi que des autres pouvoirs et privilèges accordés aux délégations diplomatiques.

ARTICLE 12.

La bâtisse située à Angora de la représentation commerciale de l'U.R.S.S. ainsi que la bâtisse de la filiale, sise à Constantinople, Grand'Rue de Péra No. 464, Soviet han, bénéficieront du privilège d'exterritorialité. Ledit privilège d'exterritorialité n'empêchera pas l'application des dispositions de l'article 13.

ARTICLE 13.

Les formalités judiciaires de la représentation commerciale accomplies en Turquie ainsi que leurs conséquences économiques seront soumises aux lois turques et seront comprises dans la juridiction turque.

Les biens se trouvant en Turquie du Gouvernement de l'U.R.S.S. seront passibles de saisie, à la condition de ne point représenter des objets reconnus, aux termes du droit international, comme servant à l'exercice du droit souverain de l'État ou au fonctionnement officiel des représentations diplomatiques et consulaires.

ARTICLE 14.

Le Gouvernement de l'U.R.S.S. assume la responsabilité provenant de toutes les opérations commerciales contractées, en Turquie, par sa représentation commerciale. Quant aux opérations commerciales contractées par les départements officiels de l'U.R.S.S., seuls lesdits départements seront responsables de ces opérations.

ARTICLE 15.

Les deux parties contractantes se sont mises d'accord sur le fait que la représentation commerciale en Turquie du Gouvernement de l'U.R.S.S. fera usage de son droit d'ouvrir des agences dans les villes et port ci-après de la Turquie :

Constantinople, Smyrne, Trébizonde, Mersine, Erzéroum, Konia, ou bien Eskichéir.

L'ouverture de nouvelles agences fera l'objet d'un accord entre les deux Gouvernements.

ARTICLE 16.

Au cas où le Gouvernement turc installerait une représentation commerciale sur le territoire du Gouvernement de l'U.R.S.S., le Gouvernement de l'U.R.S.S. ferait profiter ladite représentation et ses fonctionnaires des mêmes droits, privilèges et exemptions qui ont été accordés à la représentation commerciale en Turquie du Gouvernement de l'U.R.S.S.

ARTICLE 17.

Suivant le procédé général établi à l'égard de tous les autres pays, chacune des deux parties contractantes s'engage, en ce qui concerne les importations du territoire de l'autre partie ou les exportations à destination dudit territoire, à n'appliquer aucune restriction.

ARTICLE 18.

Les produits agricoles et industriels de chacune des deux parties contractantes seront, conformément aux dispositions générales en vigueur de l'autre partie, admis au passage en transit sur les voies ouvertes au transit, toujours conformément aux dispositions générales de ladite partie. Ils seront, sur ledit territoire, exempts de toutes taxes de transit.

Indépendamment des dispositions du premier alinéa du présent article, le Gouvernement de l'U.R.S.S. accepte de reconnaître, également, à la Turquie, le droit de libre transit pour les marchandises originaires et provenant de Turquie qui seront expédiées par voie de Batoum, à destination des pays asiatiques, ainsi que pour les marchandises originaires et provenant de Turquie qui seront expédiées, par

voie de Batoum, des vilayets orientaux de la Turquie aux vilayets occidentaux et des vilayets occidentaux aux vilayets orientaux.

Le transit, par la voie indiquée au présent article, des marchandises originaires et provenant de Turquie aura lieu à la condition que les organisations du Gouvernement de l'U.R.S.S examinent si la Turquie est ou non le lieu de provenance et d'origine desdites marchandises.

Le mode d'exécution de cette enquête sera établi dans le protocole final annexé au présent traité.

ARTICLE 19.

Il ne sera fait, sur les voies ferrées, dans les eaux territoriales et sur les voies fluviales des deux parties contractantes, aucune distinction entre les habitants des territoires de ces deux parties contractantes, en ce qui concerne le transport des voyageurs, de leurs effets personnels et des marchandises.

Il va sans dire que les dispositions du premier alinéa du présent article ne causent aucun préjudice au droit des deux parties contractantes d'élaborer, comme elles le désirent, des tarifs sur leurs voies de transport.

Les deux parties contractantes déclarent qu'elles sont prêtes à conclure, aussitôt après la mise en vigueur du présent traité, un accord spécial relatif au transport direct, par voie ferrée, des voyageurs, des effets personnels et des marchandises.

ARTICLE 20.

Les embarcations et les bateaux, avec ou sans cargaison, battant pavillon de l'une des deux parties contractantes qui pénétreront dans les eaux territoriales ou les ports de l'autre partie ou qui en sortiront, quel que soit le lieu de leur départ ou de leur arrivée, bénéficieront, en toutes circonstances, des mêmes dispositions que celles appliquées aux bâtiments nationaux et ne seront astreints à aucune contribution ni taxe sous n'importe quel nom, autres que celles dont se trouvent ou se trouveront chargés les bâtiments nationaux, que lesdites taxes soient perçues au nom et pour compte de l'Etat, des vilayets, des communes ou de n'importe quelle organisation ayant obtenu du Gouvernement les pouvoirs nécessaires.

ARTICLE 21.

Les cargaisons, quels que soient leur provenance ou leur lieu d'origine, ne seront pas soumises à des taxes ou des contributions autres ou plus fortes que celles auxquelles elles seraient soumises si elles étaient importées ou exportées sous pavillon national, pas plus qu'elles ne seront astreintes à une autre formalité. Les formalités relatives aux voyageurs se trouvant sur ces bateaux ainsi qu'à leurs effets personnels, auront lieu comme s'ils voyageaient sous pavillon national. Les équipages des susdits bateaux se verront traiter comme les équipages des embarcations et des bateaux battant le pavillon de la nation la plus favorisée

ARTICLE 22.

Les dispositions des articles 20 et 21 ne seront pas appliquées aux lois spéciales ayant pour but la protection, la réorganisation et le développement du commerce maritime national, pas plus qu'au cabotage réservé au pavillon national, à la pêche dans les eaux territoriales, aux services du pilotage, à l'emploi de pilote, à l'usage de remorqueurs ou aux services du port, de même qu'à la navigation dans les eaux fluviales.

ARTICLE 23.

La nationalité des bateaux et des embarcations sera reconnue, par les deux parties contractantes, sur base des certificats et documents délivrés conformément aux lois et règlements de chaque pays, par les départements autorisés de l'Etat auquel ils ressortissent.

Les deux parties contractantes s'engagent à conclure un accord spécial relatif à la reconnaissance mutuelle des documents des navires tels que titre de propriété du navire, certificats établissant sa situation technique, sa capacité, sa puissance de navigation et autres analogues. Les deux parties contractantes s'engagent, jusqu'à la conclusion d'un pareil accord, à reconnaître mutuellement les documents énumérés ci-dessus et régulièrement délivrés par l'un des contractants.

ARTICLE 24.

Les embarcations et les bateaux battant pavillon de l'une des deux parties contractantes qui pénétreront dans un port appartenant à l'autre partie, en particulier pour compléter leur cargaison ou pour en débarquer une partie, pourront, en se conformant aux lois et règlements des deux pays, conserver à bord la partie de leur cargaison destinée à un autre port ou à un autre pays et réexporter cette dernière partie de leur cargaison sans être tenus au payement de nuls frais ou rémunérations, sauf les droits de garde—lesquels, d'ailleurs, ne pourront être perçus que suivant le taux minimum établi pour la navigation nationale.

ARTICLE 25.

En cas d'événements tels que naufrage, échouage, avarie maritime, arrêt obligatoire d'un bateau ressortissant de l'une des deux parties contractantes dans les eaux de l'autre partie, le bateau et sa cargaison bénéficieront des mêmes avantages et exemptions que ceux accordés par les lois et règlements dudit pays, dans les circonstances analogues, aux bâtiments nationaux. Il sera accordé au capitaine et à l'équipage et aux passagers du navire, tant pour eux-mêmes que pour la cargaison, aide et assistance, dans la même mesure qu'aux ressortissants du pays même.

En ce qui concerne les droits de sauvetage, ils seront appliqués de la même façon dont sont appliquées les dispositions légales du pays où a lieu le sauvetage aux embarcations et aux bateaux nationaux.

Les marchandises sauvées d'un navire échoué ou naufragé, pour autant qu'elles n'auront pas été importées dans le pays pour servir à la consommation locale, ne seront soumises à aucun droit de douane.

ARTICLE 26.

Les produits agricoles et industriels originaires de l'U.R.S.S. importés directement ne devront pas être soumis, lors de leur entrée en Turquie, tant que le présent traité demeurera en vigueur, à des droits de douane pas plus qu'à tous droits d'importation autres ou plus élevés, coefficient de majoration y compris, que ceux perçus ou à percevoir sur des produits analogues d'un pays tiers.

ARTICLE 27.

Pour toute la durée du présent traité, les produits agricoles et industriels, originaires de Turquie, énumérés dans la liste No. 1 annexée au présent traité, importés directement de Turquie, bénéficieront, lors de leur entrée dans l'U.R.S.S., du pourcentage de réduction inscrit dans la susdite liste No. 1 et sur la base du tarif général des douanes en vigueur dans l'U.R.S.S.

En tous cas les produits agricoles et industriels énumérés dans la susdite liste No. 1, ainsi que les produits agricoles et industriels de la Turquie, énumérés dans la liste-annexe No. 2, ne seront pas, lors de leur entrée dans l'U.R.S.S., soumis à tous droits de douane et tous droits d'importation autres ou plus élevés, coefficient de majoration y compris, que ceux perçus ou à percevoir sur des produits analogues d'un pays tiers.

ARTICLE 28.

Les impôts locaux, taxes et frais perçus, dans le territoire de l'une des deux parties contractantes, au profit de l'État, des municipalités et des corporations sur la production, la vente, la consommation et le transport des marchandises quelles qu'elles soient, ne seront pas plus élevés ni plus lourds que ceux qui sont perçus sur les produits agricoles et industriels et les marchandises similaires locales de l'autre partie et sur les objets similaires d'un pays tiers qui ont été ou qui seront soumis aux conditions les plus avantageuses.

ARTICLE 29

Chacune des deux parties contractantes accorde à l'autre partie le droit de bénéficier, en ce qui concerne le mode de perception des droits de garantie douanière et les diverses formalités douanières relatives aux importations et aux exportations, de tous les avantages qu'elle accorde ou qu'elle accordera, par la suite, à n'importe quel pays tiers.

ARTICLE 30.

Chacune des deux parties contractantes conserve le droit, au moment de l'importation des produits agricoles et industriels de l'autre partie, d'exiger la production d'un certificat d'origine établissant que l'article importé a été produit dans le territoire de l'autre partie.

Les certificats d'origine des marchandises du Gouvernement de l'U.R.S.S. seront délivrés par le Commissariat du Peuple du Commerce de l'U.R.S.S. ou par ses organisations et les certificats d'origine des marchandises turques par les Ministères du Commerce et de l'Agriculture et par leurs organisations locales, ainsi que par les chambres de commerce de Turquie.

La forme des certificats d'origine des marchandises aussi bien exportées à destination de la Turquie par le Gouvernement de l'U.R.S.S. qu'importées en U.R.S.S. par la Turquie, sera établie, suivant accord entre elles, par les deux parties.

Le visa et les formalités d'approbation des susdits certificats d'origine par les organisations compétentes des deux parties se font, sur le territoire de la partie où les marchandises mentionnées dans le certificat sont importées, conformément aux règlements en vigueur au moment de la signature du présent traité.

ARTICLE 31.

Les dispositions du présent traité relatives au traitement de la nation la plus favorisée ne concernent pas les points ci-après :

1. Les avantages accordés ou qui seraient accordés plus tard par chacune des deux parties contractantes aux pays limitrophes pour faciliter le commerce dans les régions frontières;

2. Les obligations dont serait chargée l'une quelconque des deux parties contractantes du chef d'une union douanière;

3. Les avantages accordés ou qui seront accordés par l'U.R.S.S. aux pays ayant, le 1er août 1914, fait partie de l'Empire russe;

4. Les bénéfices et les avantages spéciaux existants ou qui seront établis à l'avenir en ce qui concerne le tarif douanier et toutes les autres questions commerciales entre les pays détachés en 1923 de l'Empire ottoman et la Turquie.

ARTICLE 32.

Le présent traité sera ratifié et les procès-verbaux de ratification seront échangés à Angora le plus rapidement possible.

Le présent traité sera mis en vigueur dans un délai d'un mois à partir de la date de l'échange des ratifications. Une année après la mise en vigueur du traité, chacune des deux parties contractantes pourra faire connaître son intention de mettre fin aux dispositions de celui-ci; mais, néanmoins, le présent traité demeurera en vigueur jusqu'à la fin d'une période de six mois à compter du jour où une pareille communicatino aura été faite par l'une des deux parties contractantes.

En foi de quoi les délégués des deux parties ont signé le présent traité et y ont apposé leurs sceaux.

Fait en double, à Angora, le 11 mars 1927.

Protocole final.

Au moment de signer le Traité de Commerce et de Navigation conclu, en date de ce jour, entre la République turque et l'U.R.S.S., les deux parties contractantes ont décidé les clauses suivantes :

Ad Article 5.—Par " limites municipales " on entend, en Turquie, les localités actuellement pourvues d'une municipalité, les petites villes de 2,000 à 20,000 habitants, les grandes villes de 20,000 habitants et plus ainsi que les préfectures de ville.

Ad Article 8.—Considérant le caractère spécial, dans certaines circonstances, des personnalités morales de l'U.R.S.S., les deux parties contractantes ont convenu que :

Les institutions telles que les organisations économiques d'État de tous genres, les trusts d'État, les syndicats d'État, les sociétés par actions de tous genres, les coopératives et autres organisations économiques de toutes sortes, constituées dans le territoire de l'U.R.S.S., conformément aux lois de l'Union, et désireuses de

travailler dans la République turque, seront admises en territoire turc et, durant l'exercice de leur activité dans le territoire, ne se verront pas appliquer un traitement moins favorable que celui appliqué, dans le territoire de la République turque, aux sociétés commerciales, industrielles et financières, aux compagnies d'assurances et autres sociétés ainsi qu'aux personnalités morales de tous genres, ressortissants de la nation la plus favorisée.

Les formalités d'enregistrement, dans le territoire de la République turque, des susdites organisations soviétiques se feront sur présentation, par ces dernières, au Ministère du Commerce, ou aux sections locales dudit Ministère, d'une requête indiquant la raison sociale de l'institution, son siège, sa nationalité, le chiffre de son capital et l'engagement contracté par elle de se soumettre aux lois turques pour tout ce qui regarde ses opérations sur territoire turc; devront être remises, en outre, une copie, légalisée par le notaire soviétique et par les agents diplomatiques ou consulaires turcs se trouvant dans l'U.R.S.S., de l'acte de constitution de la personnalité morale en question; une attestation délivrée par le Gouvernement de l'U.R.S.S., établissant que ladite personnalité morale a été constituée conformément aux lois soviétiques en vigueur et qu'elle se trouve actuellement en activité; une procuration légalisée par le notaire soviétique et par les agents diplomatiques ou consulaires turcs se trouvant dans l'U.R.S.S., ou établie par-devant notaire en Turquie, et accordant pleins pouvoirs à un représentant choisi par l'institution devant être enregistrée, pour s'acquitter de toutes opérations prévues par les statuts de ladite institution et pour ester en justice à tous les degrés au nom et pour compte de cette institution, en qualité de demandeur, de défendeur ou en toute autre qualité, dans les différends qui surgiraient du chef desdites opérations.

Ad Article 12.—Au cas où, pendant que le présent traité serait en vigueur, l'agence de Constantinople de la représentation commerciale de l'U.R.S.S. viendrait à changer de local, le privilège d'exterritorialité reconnu à ladite agence serait transféré au nouveau local.

Ad Article 18.—Il a été décidé, en ce qui concerne le transit des produits agricoles et industriels turcs sur les routes mentionnées à l'article 18, que l'U.R.S.S. se réserverait le droit, au moment de l'entrée des susdits produits en territoire de l'U.R.S.S., d'exiger la présentation d'un certificat d'origine attestant que ces produits sont des produits agricoles et industriels turcs.

Les certificats d'origine seront délivrées par les Ministères du Commerce et de l'Agriculture, par leurs organisations locales ou par les chambres de commerce.

Les certificats d'origine susmentionnés seront visés par la représentation du commerce extérieur de l'U.R.S.S. en Turquie ou par ses agences, ou, dans les localités où il n'en existerait point, par les consulats de l'U.R.S.S.

Au cas où les douanes de l'U.R.S.S. auraient des raisons sérieuses de concevoir des doutes sur la concordance des marchandises passant en transit avec celles énumérées dans le certificat d'origine, elles pourront, dans un délai maximum d'une semaine, vérifier le degré de conformité desdites marchandises avec ledit certificat.

Il va sans dire que les dispositions des articles 2 et 18 ne sont pas applicables aux marchandises dont les lois et règlements interdisent l'importation dans le territoire des deux pays.

Ad Article 23.—Le Gouvernement de l'U.R.S.S. déclare que les dispositions de l'article 23 n'annulent, en aucune façon, ses droits sur tous les bateaux de commerce et de guerre appartenant au Gouvernement russe ou destinés selon les règlements soviétiques à être nationalisés et qui, faisant partie de l'ancienne flotte russe, ont été, au moment de l'intervention, transférés en d'autres pays ou encore qui, par divers moyens, ont été soustraits effectivement à la nationalisation.

Ce protocole fait partie intégrante du traité et entrera en vigueur avec celui-ci.

Fait en double, à Angora, le 11 mars 1927.

[E 2614/17/44] No. 44.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received June* 13.)

(No. 291.)

Sir, *Constantinople, June* 8, 1927.

I HAVE the honour to report that Shukri Kaya Bey is proceeding to Geneva, probably to-day, to attend the International Labour Conference at Geneva, at the invitation, so I have been told, of M. Albert Thomas. Shukri Kaya Bey is, as you are aware, a former Minister for Foreign Affairs, he is president of the Parliamentary Foreign Affairs

Commission, and he is the most likely person to succeed Tewfik Rushdi Bey should the latter withdraw for any reason. Shukri Kaya Bey is therefore a person of more importance politically than would naturally be chosen to represent Turkey at the Labour Conference. Moreover, he has no particular acquaintance with the subjects dealt with by that conference and he is starting very late for it.

2. It may therefore be that Shukri Kaya Bey's real purpose is to be present in Geneva at the time of the meeting of the League Council. There have been no indications lately of change in Turkey's attitude to the League. It is not often referred to publicly, but, when it is, there is still apt to be talk about a seat on the Council being a *sine quâ non*. I do not, however, suppose that Turkish politicians seriously believe that, if she entered the League, Turkey would immediately be represented on the Council. Turkey would no doubt like to join the League if she could do so without fear of Russian protests. It may be that she foresees a time either when such protests would not be made or when she could ignore them. In any event we, for our own part, should, I submit, continue to abstain from pressing Turkey to join the League.

I have, &c.

GEORGE R. CLERK.

[E 2711/257/44] No. 45.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received June* 20.)

(No. 297.)

Sir, *Constantinople, June* 9, 1927.

I HAVE the honour to transmit herewith a copy of a memorandum by Mr. Knox, acting counsellor at Angora, in which he summarises his impressions after six months' residence in the capital of Turkey.

2. Mr. Knox, who has steadily and successfully set himself to the difficult task of getting into personal and friendly touch with the leading Turks of Angora, has written a very interesting paper. It gives a clear picture of the problems which face the present rulers of Turkey and of their manner of meeting them. Indirectly, it brings out one of the points which has most struck me since I have been here—the divorce between the ideas of Angora and the realities of life in Turkey. The directors of the country sit up of nights on their plateau, weaving their grandiose schemes, and ignoring the inconvenient but practical difficulties which residence in Constantinople would bring home to them. As Mr. Knox points out, it is in the economic domain that the stability of the country is most likely to be threatened, and unfortunately it is there that the Turks show least aptitude for learning.

I have, &c.

GEORGE R. CLERK.

Enclosure in No. 45.

Memorandum by Mr. Knox.

IT may perhaps be worth while after six months' practically continuous residence at Angora to endeavour to fix the impressions hitherto formed in this remarkable capital. These are still in many respects superficial, and I have no complete confidence in their accuracy. Though one is received in Turkish society with every apparent cordiality, and though little remains of the almost overt suspicion of a year ago, I still find in serious conversation with Turks—except with one or two of the unofficial but more enlightened members of the President's immediate entourage—reticence, and an almost childish circumspection. This attitude of mind springs, I believe, in the main from mere inexperience, lack of self-confidence and a traditional misconception which endows every diplomat with Machiavellian subtlety: it will only yield in time to unlimited patience. One is frequently confronted, too, in spite of the vaunted Westernism of the day, by so Oriental a habit of mind that, of the conclusions that one draws from association with Turks, those that on the surface appear the most logical and natural are often those that call for the most searching scrutiny.

The consequence is that the impressions received in the course of such relations are generally too tenuous and disjointed to be reproduced immediately with any

accuracy, and only assume some degree of coherence when summarised at lengthy intervals and adjusted with the picture which one gradually forms of the internal situation of the country as a whole. I will, therefore, endeavour to sketch, as I see them from Angora, the nature of the régime, its aims and preoccupations, and the lesser-known personalities who yet play a considerable part in the destinies of the country.

The Régime.

In constitutional theory Turkey is a republic, in which the sovereignty of the people is expressed in an elected Assembly, which itself nominates for the term of its own life a President of the Republic, in whom are vested very limited powers. The reality is less simple. Although, since the final elimination of the Opposition, the National Assembly is composed almost entirely of nominees of the People's party, major projects of policy are dealt with in the first instance by the party committee, the real debating body, which proceeds in secret. It is only after being elaborated there and scrutinised by the Cabinet and the parliamentary commissions that they are submitted for final acceptance to the Assembly—a procedure that gives a pleasing appearance of unanimity to public debate. The initiation, however, of these projects rests with a body even more powerful than the party committee—the private Cabinet of Chankaya. This consists of the President of the Republic himself and his own immediate circle, and meets on two or three nights a week at the President's house. The most regular members are Shukri Kaya Bey, a former Minister for Foreign Affairs, now President of the Foreign Affairs Commission, Safret Bey, secretary-general of the People's party, Mahmud Bey and Falih Sifki Bey, editors and directors of the "Agence d'Anatolio" and the Government organ the "Hakimiet-i-Millieh" (the former, incidentally, the President's business man), Nuri Bey, Edib Bey and Roshen Eshref Bey, old companions of the Ghazi's days of obscurity. All are members of the Foreign Affairs Commission, and are remarkable, in their normal surroundings at least, for some culture and accomplishment; they still appear for the most part unimpaired by incredibly heavy drinking. There are also less assiduous members, chief of whom are Ali Bey and Kilij Ali Bey, ex-president and member of the defunct Independence Tribunal, Ali Jenani Bey, a former Minister of Commerce, Agksoglou Ahmed Bey, a prominent journalist, and some others. Their meetings are, I understand, often attended in their early stages by Ismet Pasha, Fevzi Pasha and Tewfik Rushdi Bey, who are, however, dismissed before conviviality and business reach their height.

The President himself, beyond all doubt, commands to a striking degree the reverence, not to say the devotion, of the coterie, and he is, equally certainly, the inspirer of all policy and the great driving force of the country. The official Cabinet, I am inclined to believe, carries less weight even than is generally supposed, though no doubt Ismet Pasha, and in a lesser degree other Ministers, are able on occasion to apply the brake when over-wild schemes are propounded. Their real rôle, as I see it, is more than attributed in other countries to permanent heads of department. With this reservation it is, I think, safe to say, that in all major matters the Government of the country lies essentially in the hands of the President and the inner conclave.

I have the impression—as yet vaguely formed—that the period of establishment of the Nationalist Government, which may be said roughly to have begun with its recognition by the Powers at Mudania, and which included the more spectacular and daring reforms designed to lay the foundation of a new Turkey, has ended with the final blow dealt to the Opposition last summer, and has given place, in intention at least, to an era of consolidation. The indications as yet available are the suppression of the Independence Tribunals, the reconciliation that is taking place between the President and such former leaders of the Opposition as Ali Fuad Pasha and Hussein Jahid Bey, and the elaborate preparations now being made for the forthcoming elections. These, I am given to understand, will result in the removal of a large proportion of the present Deputies and their replacement by new blood. In all events, we will not long be kept in suspense as to the nature of the next evolution, since the President's speech, which is to be made at the impending Congress of the People's party and which has been in preparation for the past two months, will no doubt give a fairly clear indication of the line of policy which it is intended to follow. It is to be concluded from the experience we have already had of Mustafa Kemal Pasha that, once he has definitely and publicly laid down a course of action he may be counted upon to pursue it relentlessly. It is nevertheless

evident that whatever may be the new directives, the main ambition of the Government will be concentrated as heretofore on the organisation of defence against either internal revolt or foreign aggression, on the conversion of Asiatic Turkey into a homogeneous ethnic unit organised on Western lines, though, as far as possible, through Turkish agencies, as an advanced post of European culture and economic development and on the consecration of Angora as its permanent capital.

It is hardly to be expected that in the elaboration of this far-reaching programme the tyranny of fact should make itself felt overmuch in the councils of a Government such as I have described above, but in their efforts, fitful, misconceived and ill-directed as they frequently are in detail, they yet display in their broader aspects a continuity of purpose and a determination which, among the more patent absurdities both of principle and application, one is often prone to overlook. This obstinate persistence in a set of rigid ideals which appeared nothing less than grotesque among "a handful of brigands in an Anatolian village," has taken on a more plausible air as they have advanced to a surprisingly large measure of success. That, neither during the active period of the Nationalist movement nor that of exuberant fruition which followed, its leaders—in marked contrast, I fear, to their opponents—made a grave or lasting political mistake, gives food for earnest reflection—which, however, their daily antics in matters of detail provokingly disturb.

It is perhaps more difficult in Angora than elsewhere to form a just estimate of the strength and durability of the existing régime. Here opposition, if it exists at all, is silent and invisible. The army and the Administration appear to be firmly in hand, and, outside the eastern provinces, where martial law is still rigorously applied, public security is more effectively maintained than at any previous epoch in Turkey's history. These seem to me the considerations most likely to count with a war-weary but long-suffering population. On the other hand, Turkey is particularly exposed to the risks inherent in any form of one-man Government, especially when, as here, the ultimate succession is abandoned almost entirely to the hazards of intrigue or audacity. It will be interesting to see when the presidential election takes place on the meeting of the New Assembly next autumn whether the process of consolidation and internal unity has made progress enough to allow of an attempt to fix the succession to that office in a more satisfactory manner and thus to avert in some measure the greatest danger to which the country is exposed.

Other, if lesser, internal dangers certainly exist. One hears frequently, but, in general, from Levantine sources, that there is widespread discontent in the country provoked by grinding taxation, by the Ghazi's dissolute example, and by his policy of Westernism and relentless secularisation. Although I have seen nothing of the provinces beyond a very small corner of Anatolia, and have had no contact with the people other than the ruling class, I am yet inclined on general grounds to feel that such fears may well be exaggerated. Taxation is, indeed, heavy, and clumsily and corruptly applied, but, so far as I can observe, it bears more severely, or, at least, more obviously, on the foreign merchant, and the small trader—who is more often than not of non-Turkish stock and consequently limited to inarticulate grumbling—than on the great majority of the Turkish element, who alone could exercise any influence on the armed forces or play an active rôle in opposition. It is also worthy of consideration that the Turkish peasant has inherited some part at least of the wealth of the dispossessed Christian, he is enjoying an abatement of agricultural taxation, he is being studiously inoculated with the germ of national as opposed to religious self-consciousness, and he possesses for once a ruler to whose spectacular achievements he can look up.

It is possible that rare individuals may feel the scandal of the Ghazi's private life, and that it may on occasion give a theme to some subterranean Jeremiah, but I have yet to learn that the Turkish people as a whole look for the domestic virtues in their chief or would prefer them to a robust and ostentatious virility. The spirit of Westernism has, so far as I can see, barely touched the lethargic conservatism of the masses—and now that the first shock of a drastic change of outward modes is past, I would not expect on this score any violent reaction.

Remains the all-important issue of religion. Here, I fear, it would require an experience of Turkey and the Moslem East in general far greater than my own to offer a final opinion. It is difficult, if not impossible, in view of the universal perversion of history in so controversial a matter, to estimate how far in the past religious fanaticism has been the cause or the justification of that congenial inter-congregational banditism and butchery which for the last half-century has been

the most notable manifestation of the country's spiritual life. It is the more difficult with this antecedent uncertainty to conjecture what feeling of resentment there may be among the people at large against a Government which displays, in contrast with the avowed policy of its predecessor, the Committee of Union and Progress, special solicitude for the material welfare of the Moslem; which has removed the provocation—or the temptation—offered by a wealthy Christian neighbour, and which, openly at least, attacks not so much the Moslem religion itself, as customs loosely associated with it, and has aimed, above all, at breaking the ascendancy of a parasitic and probably none too popular hierarchy. Such, in my view, are the terms in which the question should logically be put, but I have enough experience of the East to recognise that the answer is not one which can be found by logic alone, and I am content to keep an open mind—with the one reservation that, in my opinion, among Turks in general, material welfare takes definite precedence of spiritual, and that there is more likelihood of over- than under-estimating the importance of the religious factor in the Turkey of to-day. I do not by any means wish to imply that religion in this country is extinct or that there is no likelihood of an eventual pretender to power "beating the drum ecclesiastic," but merely that, in such an event, the resurrection of the crescent would probably be the accessory rather than the motive of his ambition. There are still many practising, and, I am sure, not a few convinced, Moslems in Turkey. Indeed, a member of the Assembly, who is one of the closest friends of the President, has often, in conversation with me, stigmatised the majority of his colleagues as "antiquated Hojas." Even among the leading members of the Government, two of the most outstanding figures, Fevzi Pasha, the sheet anchor of the régime, and Abdul Halik Bey, the present Minister of Finance and one of the most able administrators that Turkey possesses, appear untouched by the prevailing secularism. Fevzi Pasha, a devout and practising Mussulman, devotes all his attention to his duties and is never seen in the social life of Angora. Abdul Halik Bey is liberal enough to play bridge and tennis and to keep up excellent relations—on neutral ground—with one or two European diplomats, but he clearly shows his disapproval of female emancipation by never appearing at any mixed gathering. He rarely, if ever, drinks wine, and strictly observes the fast of Ramazan, to the almost open ridicule of his co-religionaries. At the same time, there is every reason to believe that, however out of tune their religious principles may be with those of the Government, they both furnish their best and sincerest efforts (more effective, I feel, and more sincere than those of many of their more supple colleagues) to the furtherance of the avowed policy of the President.

Aims of the Government: National Defence.

First in order of importance of the Government's aims is the organisation of National Defence. This is not unnatural in view of the traditional military proclivities of the race and of the fact that the men in power in Turkey to-day are, with very few exceptions, ex-soldiers. Over and above the heavy budgetary contribution which the country is called upon to make to the armed services, there is little doubt that in the elaborate programme of public works now being initiated strategic considerations often provide the prime motive. In the matter of purely military works much has been accomplished in spite of acute financial difficulties. The cartridge factory at Angora is in full activity, the aeroplane factory and repair shops at Cæsarea are approaching completion, and considerable progress has been made with the arsenal and munition factory at Yakhshi Han, which, it seems, it is now intended to link by a direct railway line with the Heraclea coal-fields.

From a general view of these works, it is safe, I think, even for a layman to infer that the present strategic conception of the Turks (to which they are daily becoming more deeply committed) is to anchor their main system of defence to the Angora plateau with the centres of concentration and supply at Caesarea and Yakhshi Han. From this inference I would venture to hazard two conclusions: the one, that the scheme is designed to meet an attack from the sea either from the west or from the south and leaves entirely out of account an invasion from Russia; the other, that it marks the abandonment of that flexibility of defence which from the campaigns of Lucullus to the battle of the Sakaria has proved so costly to invaders in this largely waterless and trackless upland. One is inclined to speculate whether, in so primitive an organism as Turkey must long remain, the pinning-down of defence to a point from which it could not recede would not result in the end in a dangerous brittleness.

A truism that one hears enunciated with increasing frequency is that if Turkey were to cut down relentlessly her military expenditure she would be able to enjoy a

satisfactory economic and financial situation. This, up to a certain point, is patently exact, but it leaves out of consideration the brutal and all-important fact that if she were to practise large economies on her armed forces she would run grave risk of losing not only the hope of stable and enduring government, but even a large measure of a dearly-bought independence. One cannot blame the Turk for appreciating the obvious, if unpalatable, truth that his under-populated and ill-developed country offers a vacuum that would prove, if undefended, an irresistible attraction to over-populated and expansive Powers.

Proportionately, Turkey's expenditure on national defence is very heavy, amounting to 36 per cent. of her budget—precisely the same figure as in the case of the Ottoman Empire before the war. The actual expenditure on the army (£T. 58 million, or approximately £6 million, according to this year's estimate) cannot be judged excessive in itself for a force of about the same size as the German Reichswehr, which it would be folly for the rulers of the country to leave unprepared for emergency.

The Capital.

The strategic and political considerations which originally prompted the choice of this inhospitable centre of Anatolia for the capital of Turkey have in the past five years lost nothing of their force, and any scepticism as to its durability that I brought with me to Angora a year ago has yielded to acceptance of the accomplished fact, as the conviction grew in force that the present régime and its capital are indissolubly wedded. Every effort is being exerted with a fine disregard of expediency—even of possibility—to make of Angora the strategic, economic and social as well as the political centre of the country. New projects of railway and harbour construction, tending generally to this end, are devised almost monthly. Banks spring up like mushrooms on an ever larger and more imposing scale, but all with an equally imponderable capital. Houses, shops, villas are built in every direction with no coherent plan in a wave of optimistic speculation. New roads are traced and abandoned after a spell of feverish and expensive work in order to seek another alignment suitable to some man of influence, or, if they reach completion, subside in a few days under the stress of modern traffic. The municipality, undeterred by chronic bankruptcy, goes on from one grandiose project to another, each more wasteful, incoherent and inept than the last. And yet something is gradually emerging from this chaos; a number of Deputies are amassing respectable fortunes; the population of the surrounding country has more and better-paid work than it could ever have dreamed of; swamps have been drained; a few trees have been planted and an Asiatic hill village is rapidly assuming the aspect of a shoddy lath and plaster town.

Above the more material aim of creating a visible capital, there is ever present in the mind of the Government the ambition of crowning their accomplishment by making of Angora a social centre fit for Ambassadors to live in. Here their efforts, for all their intensity, are more than ever disjointed and uncouth, and their result is perhaps the most painful feature of life in this curious post. Dances and tea parties follow each other throughout the winter and the spring with a monotony, and often a squalor, that, once the first shock of amusement is past, are heartbreaking. The "social material" is as yet distinctly crude. The men are, on the average, like the usual product of revolutions, very young. With few exceptions, their general education is limited in the extreme and their experience of the outside world negligible. When due allowance is made for these drawbacks, it must be admitted that, on the whole, they are more presentable than might reasonably be expected. Though their ignorance of ordinary social usage is complete, their native manners are often good, if somewhat diffident. They are rarely at their ease in the presence of women, but among themselves they are easy and friendly enough, and in their club, where, apart from a very rare colleague, one meets nothing but Turks, my reception has always been pleasant and cordial. The great majority are Gargantuan drinkers, but their powers are remarkable, and those who ever reach obvious drunkenness are few. So much for the generality; there are, however, amongst them notable exceptions. One permanent official, the Political Director at the Ministry for Foreign Affairs, is as competent and pleasant a colleague as I would hope to meet in any country, and there are amongst the Ministers and the President's immediate circle one or two men with whom it is, in Angora at least, a pleasure to associate. In this group the spread of Westernism is very rapid, and it is by no means impossible that in the forthcoming purge of the National Assembly many of the new Deputies

will be chosen for their table manners and their attainments in European dress and the Charleston.

The women should, perhaps, in view of their recent large emancipation, present more interest. A few of those who had grown up before the change came, indeed, do so. They are generally of a higher social standing and education than their menkind, and have either had European governesses throughout their childhood or spent some part of their youth abroad. They possess both charm and culture, accompanied by a refreshing dignity and repose. These are, I fear, qualities which Angora in its present mood does not appreciate and the type is doomed to extinction. The others are not attractive. A small advance guard reproduces creditably the strident self-satisfaction of the young woman who makes herself most widely seen and heard in Europe to-day, whilst the remainder—the vast majority—sit at parties in unaspiring silence, a row of strangely-clad, lymphatic ruminants, and watch the dancing much as a cow stares at a passing train.

Economic Development.

It is in the economic domain that the least progress has been made and that the stability of the country is, in my opinion, most likely to be threatened. In fact, when one considers this aspect of the situation one is often tempted to dismiss the Turkish State as a republic of children with no thought beyond the devising of new toys to be rejected or destroyed on the morrow. This is, however, on reflection, natural enough; the Turk is by tradition a soldier, a primitive agriculturalist or a shepherd; his mental qualities are in no sphere very high, but it is in commerce and finance that his inexperience and native incompetence are most marked. Thus, be it cause or effect, the economic development of the country has throughout its history rested entirely in the hands of the Rayah, the Jew and the foreigner. The triumph of the Nationalist movement and the large emancipation granted by the Treaty of Lausanne brought to a people whose vanity, however ill-founded, is yet pronounced, and who were then at the top of a wave of unexpected success, a not unnatural reaction of chauvinism and self-sufficiency. The result has been three years of almost open war against foreign and "minority" enterprise. Their motives have been varied—a vindictive desire to demonstrate on every occasion that the Turk was at long last master in his house; the wish to acquire for themselves the profits and perquisites which those of "inferior race" had in the past so easily amassed; the deep-seated policy of creating and developing a purely Turkish State; and, lastly, the fear of European political penetration in the guise of economic enterprise. In this phase the Government have been guilty of every possible mistake, except the crowning folly of inflation, which by some miracle has been avoided. As a consequence the country has been considerably impoverished, and much of its trade and industry has been driven to take refuge with its inveterate rival—Greece.

Even without such a policy and the wild experiments that have accompanied its application, the financial and economic condition of Turkey is far from promising. The country's assets are, broadly viewed, inconsiderable. They consist of a vast territory possessing some rich agricultural products and potentialities, but in great part afflicted with centuries of barrenness and gravely lacking in communications; also, it is believed, much mineral wealth, most of which, however, is still hypothetical or inaccessible. It is at the same time grievously under-populated, and since the removal of its more productive elements, it has too few workers even for its present needs—and these slow and unadaptable. Its liabilities are a considerable burden of debt inherited from the Ottoman Empire, and the present Government's early acts of spoliation, heavy expenditure on national defence and great wastage due to inefficiency and corruption. Moreover, Turkey, like many a more advanced State since the war, is indulging in a reckless orgy of governmental squandering, but with one great difference. In the case of less primitive organisms much of the Government's extravagance is deliberately designed to maintain social equilibrium, to create artificial prosperity, to give an impetus to trade, and, in sum, to bolster up an economic system which, in spite of any cracks it may be showing at the base, is still the keystone of our civilisation. Turkey is not cursed with such cares. In her case the grandiose schemes which it is proposed to execute in the course of the next few years spring from the vain dream of making of Asiatic Turkey a highly developed Western State, and are fostered by a host of intermediaries, who see in them only an opportunity for bribes and peculation. If Turkey would resign herself to going modestly clad, in however Western garments, and would cut her cloth accordingly, there would be hope of her living comfortably—even usefully—within the limits of

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her natural budget. Such a hope is, however, remote. There are, indeed, some slight symptoms of general improvement: the budget has, on paper at least, been balanced, the deficit subsisting from former years has been considerably reduced, and exports show a gradual expansion. There are, too, signs that the present economic policy has brought some measure of disillusionment; xenophobia is undoubtedly on the wane and the rulers tend to look on the foreigner no longer so much as a designing invader as a useful, almost a necessary, milch cow. Yet there is no indication that the Turkish Government, though tentatively casting about for outside help, have in any way resigned themselves to according either the security or the necessary measure of foreign control that must accompany it if it is to be granted, in Europe at least, from a sound source or on reasonable terms.

For myself, I have the distinct impression that Turkey is rapidly approaching the parting of the ways that lead either to retrenchment or reckless and usurious borrowing. I have little doubt that the projects at present on foot will not come to full maturity, and that it will prove impossible to complete even a moderate part of them without the intervention of a substantial windfall that is not yet, by any manner of means, in view. I have some ground for thinking that one or two of the more capable members of the Government have convinced themselves of the weakness of the present policy and would like to set a slower pace, but that the pressure from above is too strong. I cannot imagine that the President himself and his advisers seriously believe that a country with the resources of Turkey can create in a few years, out of revenue, an imposing series of elaborate public works, and I can only conclude that they are for once looking back for a lesson to imperial days, and calculate that, as soon as they have effected the consolidation of their existing debt, a fresh batch of foreign sheep will come up complacently for the ultimate but inevitable shearing. It is perhaps unlikely that European financial houses can still find a sufficiency of investors of this type. America, however, may well be able to provide them. If not, it appears probable that Turkey will eventually have to humble her pride to the extent of admitting some adequate measure of foreign supervision and control such as might in the end be made acceptable by an apparent assimilation to the Dawes scheme. The only alternative, retrenchment, cannot well be effected except by the abrupt abandonment of the great schemes of development that are so near to the President's heart, and would mean a heavy loss of prestige for the present régime. It is, to my mind, unlikely that such a solution will be seriously considered before financial stringency has reached a much more acute phase. Here again, it may, of course, well be that the logical conclusion is not the true one, and that Turkey, in the way of the East, will seek no solution, but jog on contentedly and ineffectively in a chronic state of semi-bankruptcy.

Personalities.

Mustafa Kemal Pasha.

Since I arrived in Angora a year ago I have rarely seen the President of the Republic save on official or public occasions. He has once or twice honoured me with a lengthy allocution which, as translated by a circle of competing interpreters, for the most part none too sober, has, I fear, left little impression on my mind. Such opinion as I have been able to form of him is thus drawn from what I have learned of his history, and from the conversation of his intimate friends, of which he affords the ever-recurring theme.

In personal appearance he is unimpressive. He is short with a tendency to stoutness; his features have nothing remarkable, and his very fair hair is rapidly thinning. A fixed expression of sternness is obviously cultivated, and relaxes at will into a particularly attractive smile, which is perhaps his most striking characteristic.

He is now 46 years of age. His parentage and education were undistinguished. His military career is well known. Its most decisive event was the Tripoli campaign. The bold enterprise of organising, with no financial or material resources, a mob of desert Arabs of doubtful fidelity for operations against a civilised Power no doubt did much to fortify his character and gift of command. In the world war fortune favoured him and found him twice at Gallipoli in a position to retrieve by vigorous and spontaneous intervention an almost hopeless situation.

Less is known of his early political life. He played a part in the revolution of 1908 and in the period of active intrigue that followed, but remained overshadowed by the leaders of the Committee of Union and Progress. It is said by his friends that, for all his temporary allegiance, he was never at heart a true disciple of the committee, but leaned always towards the ideals then voiced only by the newly-created

"Foyer turc," which he has since made his own, and which may be roughly resumed as the integral nationalism of the Turk as opposed to that of the Ottoman. This may or may not be true; the question is academic and otiose. It is enough that once he had made his first "profession de foi" to a minute band of needy outlaws in the heart of Anatolia and launched them on a vast and seemingly impossible adventure, he has never wavered. His final success appears still to those who were close spectators of the earlier phases of the Nationalist movement little short of miraculous. It has, indeed, been given to few men to effect against such heavy odds, both foreign and domestic, so complete a revolution. Here again, as in his military career, he enjoyed his full share of good luck, not the least part of which was due to our own action in deporting, without coherent plan and with the most ill-assorted aims, all possible rivals who might have stood in his way. Such a consideration, however, in no whit detracts from the greatness of his achievement. Rare intrepidity of conception and determination alone could have set a vital spark to the native lethargy of his countrymen, deadened as it was by disarmament, disunion and the exhaustion resulting from a decade of incessant war.

Since the acute phase of the struggle ended, the Ghazi has kept his turbulent team in hand and has shown, with here and there a mild compromise with the flexibility appropriate to times of peace, the same single-minded resolve to direct the destinies of his country according to his own lights regardless of traditions and susceptibilities. Here it is early as yet to appreciate results, but the measure of success attained is already large and his energy seems unimpaired. It is now entirely absorbed in the elaboration of an account of his stewardship to be rendered to the Congress of the People's Party, which will meet before the impending dissolution of Parliament that marks the close of his present term of presidency.

With historical figures of this type who, from a humble origin, have hacked their way to greatness, rumour exaggerates alike their virtues and their vices. Thus, observers in general either close their eyes to Mustafa Kemal's undoubted qualities and are only repelled or amused by the crudities of deportment of the Head of the State, or are content to admire wholeheartedly, remaining blind to his very obvious defects. We, ourselves, are perhaps especially prone to look upon him in a false light. The legend of the "gentlemanly Turk" was in its origin a normal and effective piece of war propaganda designed to render acceptable to early-Victorian England an alliance with a polygamous infidel. It has, however, survived as an article of faith in the education of three generations, and we have, under its influence, accepted, without probing, the thin veneer that often decorated the Turk of the old régime. It is consequently disturbing to us to come suddenly upon the Asiatic in his natural nakedness, and it is only after close contact with the men in power in Turkey to-day that one bows to the essential truth that Mustafa Kemal Pasha and his entourage are crude Orientals, the sons of undistinguished soldiers, of village doctors and schoolmasters, whose Western civilisation is still in the main no more than an ignorant aspiration, and who have only assimilated as yet that part of it that is represented by the machine gun or the jazz band. If we keep this consideration in sight we can hardly expect that the President of the Republic should yet have mastered his part. The fog of domestic incense in which he lives is dense and perpetual; his experience of Europe has been practically confined to his stage as military attaché at Sofia, and his Western associations have hitherto been for the most part with the adventurers of journalism or with politicians and diplomats of the type of M. Franklin-Bouillon, M. Sarraut and Admiral Bristol—lick-spittle sycophants *laudare parati si bene ructavit* . . . . Thus, when he pats the arms of ladies of the Diplomatic Corps, or reaches up to stroke the hair of an Ambassadress, the tallest and sternest of French Protestants, it is only natural to take into account the limitations of his social education, and to suppose that his gesture is dictated by nothing more than the wish to show himself a man of the world, and to display an easy and graceful condescension. That this supposition is probably just is shown by the immediate effect of a hint recently given by Sir George Clerk to Ismet Pasha touching the duties of a Head of a State on official occasions. Since then the balls which have been attended by the President have been graced by a startling respect for the protocol and a grim determined sobriety. It speaks well for him that he has accepted the lesson with no sign of resentment.

So much for the statesman and President. As a man, Mustafa Kemal is an elusive figure, living aloof in a small house in Chan Kaya, surrounded by "adopted daughters," and visited only by a few intimate friends, with whom he works, drinks and converses the night through. His remaining distractions are a model farm, and

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latterly a number of business enterprises which are usually of a somewhat shady nature, and in which his Government takes too paternal an interest. In such a character it is not the robuster but the petty vices that surprise. The Ghazi, like all those around him, drinks heavily, but I am very credibly informed that he still possesses complete self-control and, when faced with any difficult problem, can for long periods renounce drink, and with it coffee and tobacco. It is also well to remember that he and his companions have for many years led mentally and physically very strenuous lives, that they have the scanty respect for appearances of men who have made their own laws, and are in sum only doing openly—if perhaps more emphatically—what their fathers did behind drawn blinds. As regards women, he is a declared opponent of polygamy as an institution; his one experiment of monogamy was far from a success, and his present unorthodox and expansive harem is perhaps designed as much to give a halo to the head of a people whose oldest and proudest boast is lechery, as to satisfy his own caprices. It is, in fact, quite likely that any other line of conduct would be misinterpreted. Such frailties are no doubt highly reprehensible in themselves, but they have been throughout history frequent companions of greatness in men who have mastered fortune. Where his derogation is to me most marked is in his present passion for money-making, which is more likely than all else to sap his powers. Here atavism has taken command, and he has plunged into it with the sordid cupidity of the bazaar and the ruse of an Abbas Hilmi or a Persian grandee. His rare displays of brutality, such as the execution of leaders of the Opposition last summer, are not to be wondered at if one accepts the essential fact that Mustafa Kemal is not a European, and that, in the politics of the independent East, however such a truth may revolt Western susceptibilities, the gallows are still from time to time as inevitable as they are effective.

On the other side, what strikes one most forcibly in his favour is his power of winning and keeping friends and the profound hero-worship that he inspires among a band of sturdy materialists whom one would not readily suspect of sentimentality. It is much to his credit that he still clings most closely to the companions of his early days of remote and romantic adventures and forlorn hopes. It is remarkable, too, that each one of his intimate associates whom I know has extolled him to me in his own personal light—as a soldier, an adroit politician, a *noceur*, a philosopher, even as a man of letters, seeking with meticulous care the fitting word and reading with unction to his circle a new translation of Omar Khayyam. Herein probably lies much of the secret of his success; be it policy or mere charm, such a power of personal appeal to every variety of character is perhaps the most valuable quality that a dictator can possess.

If, as may well be, Mustafa Kemal Pasha meets a sudden end and his work is carried no further than it is to-day or crumbles back into chaos, or if, as the Oriental so often does, he merely lapses, as a prosperous belly grows on him, into placid avarice, there is little doubt that, even so, the future will find his name coupled, for all the exiguity of stage on which he won it, with those of Mussolini and Oulianoff, as a man—each one supremely typical of his race—who, emerging from the ferment of the world war, by force of character alone dominated events and reached beyond the wildest ambitions of his youth.

Shukri Kaya Bey (Deputy for Menteshe).

A former Minister for Foreign Affairs, is now president of the Foreign Affairs Commission. He was a member of Yussuf Kemal Bey's staff in London, where, he tells me with pride, he learned to drink whiskey. He evidently did so thoroughly, and on his return to Angora, by the example of his capacities, gave a large impulse to this branch of British trade. Drink is telling severely on his appearance, but not yet apparently on his brain. He commands considerable influence—more, I am inclined to think, than the present Minister for Foreign Affairs. I have only had recourse to him once in a concrete matter—on the occasion of an incipient press campaign on the subject of the Malta deportations. He discussed the question with refreshing frankness, good sense and detachment (he was himself one of the deportees), and I have good reason to believe that he took immediate and effective action to put an end to it. If he does not succumb to drink, he has a future before him, and is one of the Turks of to-day who is most worth cultivating.

Colonel Safvet Zia Bey (Deputy for Ismidt).

During the war a divisional Chief of Staff and has frequently been on minor missions abroad, mainly to Germany. He is now secretary-general of the People's

party (the Turkish Signor Turati) and a man of wide influence. He is shrewd, friendly and capable, but, I should think, supremely untrustworthy. When in liquor he has, for a Turk, a surprising turn of wit of a very caustic quality. More hospitable than most of his countrymen, he often gives small luncheon parties, which, both in selection of guests and adaptation of the miserable resources of Angora, show talent. Personally, I owe him a considerable debt of gratitude. As my *parrain* at the Angora Club, which I was the first Englishman and one of the earliest Europeans to join at a moment when we were still none to popular, he put himself to great pains to ensure me a pleasant reception.

Ali Bey (Deputy for Afium Karahissar).

Head of the Tribunal of Independence until its suppression last month, leader of the People's party, a former Malta deportee. He is to me the most enigmatic figure of Angora. His air is eternally one of overflowing benignity (he has been very aptly described, by Sir Ronald Lindsay I think, as a "benevolent Scotch elder"). He is, in spite of his former position and in marked contrast to his colleague Kilij Ali, desperately poor, and that rarest of all things in Turkey to-day—a man who may confidently be qualified as incorruptible. Some three years ago, after a quarrel in the Chamber, he emptied his revolver into the stomach of a distinguished fellow Deputy prostrate on the steps of the Assembly. Since then he has sent some hundreds of his countrymen to the gallows, but without losing anything of the quality of his smile, an asset which seems to render speech unnecessary. I see him often and have played bridge with him for hours on end, but have never heard him utter five consecutive words. And yet he is constantly spoken of by the well-informed as one of the most important men in Turkey, and I have even heard his name mentioned as a likely successor to the President. To me he remains one of those curious phenomena that are only comprehensible to an Oriental mind.

Mahmud Bey (Deputy for Sert).

Is the leading journalist in Turkey and the President's business man. I have seen less of him than I would wish, as he is a steady worker and goes out but little. He appears strangely sober for his surroundings, and is beyond doubt a man of considerable capacity. His appearance is very Oriental, of an almost negroid type, but his mind is of a more European turn than most, and he talks French with a finesse that is rarely met with here.

Falih Rifki Bey (Deputy for Bolu).

Was secretary to Jemal Pasha in Syria during the war. He is now director of the official news agency and the Government organ. As a journalist he writes, for a Turk, with remarkable directness and concision, and his style is much admired by his countrymen. He is now 32, the most ardent apostle of modernism *à outrance*, the wildest of the President's circle and one of his closest friends. He drinks very heavily, but never seems the worse for it. He takes a wholehearted pride, with no alloy of cynicism or pose, in his varied and boisterous iniquities, and expresses without reticence quite uncritical admiration for those of his patron. His name is consistently mispronounced by the wife of the American High Commissioner with an aptness that is disconcerting.

Colonel Edib Servet Bey (Deputy for Constantinople).

Was on the military staff of the Turkish mission at the Conference of London in 1913. He was more lately Turkish representative at the Islamic Congress in the Hejaz in 1925, and likes to describe the consternation created by his appearance on this solemn occasion in a bowler hat. He is a jovial and, I fear, bibulous rotundity, but endowed with far more shrewdness and sharp observation than appears on the surface. He talks frankly, is well informed and by no means a fool. He has more experience of Europe than the rest of his group, and speaks French, Italian and German.

Roshen Eshref Bey (Deputy for Afium Karahissar).

Aged 36, a former schoolmaster, now a leading poet of Turkey, *rapporteur* of the Commission of Public Instruction and a member of the Foreign Affairs

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Commission. A very close friend of the President. He is a man of education, of a creditable European and very wide Oriental culture. A good talker, with an instinct for what is interesting, and with novel and illuminating views on Islamic history. He knows French remarkably well and speaks it with an exuberance of Oriental image that is attractive. His name is now mentioned for the post of Turkish Minister at Budapest. He offers in this desert a rare oasis of culture, and I trust, for my own sake, that the appointment will not materialise. His wife is good-looking and civilised, but spends most of the year in Constantinople or Europe, ostensibly for her health, but really, it is whispered, to keep her as much as possible out of range of the Ghazi's eye.

Colonel Nuri Bey (Deputy for Kutahia).

Was a companion of Mustafa Kemal in the Tripoli campaign of 1911, and has been his close friend ever since. He has a very direct and soldierly manner and every appearance of frankness, but is, I fear, rapidly succumbing to drink. He has, like many others, taken to speculation in house property at Angora, without possessing the beginnings of business sense. The resultant disillusionment is probably hastening a downfall that I feel is not far off.

GEOFFREY KNOX.

Angora, May 20, 1927.

[E 2715/173/44] No. 46.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received June* 20.)

(No. 303.)

Sir, *Therapia, June* 14, 1927.

I HAD the honour to receive in due course your despatch No. 292 of the 23rd April last, containing documents lodged by the Turkish Government with the League of Nations in an endeavour to show that Turkey had fulfilled her obligations to enact special laws for the minorities as regards questions of family status. That the manner in which the agreement of the minorities was obtained, and the value of it, when obtained, was questionable, was shown in my predecessor's despatch No. 892 of the 8th December, 1925, and it may be of interest if I offer some observations on the present situation.

2. The chief difficulty now experienced by the minorities is that as communities they have no legal standing. The Lausanne settlement left the Churches without any temporal powers, and the communities in the management of their secular affairs have since then been proceeding only on a *de facto* basis. Nominally and legally they cannot even own property; in actual fact they cannot dispose of it. They have strictly no legal status in the management of their hospitals and schools, and it seems doubtful whether in a purely legal sense there can now be a valid election of a Patriarch. The various communities—Greek, Armenian and Jewish—are trying to have these things regularised, but they find every kind of obstacle put in their way by the Turkish authorities, who have no motive for making life easy for the minorities.

3. Some months ago the Greeks submitted draft regulations for their own affairs. The Turks replied urging, among other things, that in the election of a Patriarch the laity—no doubt as being particularly susceptible to official influence—should participate. The Greeks found a rejoinder to this, and there the matter remains.

4. In both the Gregorian-Armenian and the Armenian-Catholic communities there have been disturbances this year. Malcontents have questioned the right of the Acting Gregorian Patriarch and of the Armenian Catholic Patriarch to deal with his community's properties and, in general, with its secular affairs. There have been violent demonstrations at the patriarchates, and, although the attitude of the police was not incorrect, there is some reason to suppose that the malcontents have had a measure of official encouragement.

5. The Jews have been patiently trying to work out in conjunction with the Turks a statute for putting their affairs in order. They have been held up by trivial technical obstacles. Among other things, the Turks objected to the traditional title of "Grand Rabbi," insisting that it should be merely "Rabbi." That office is at present held by an infirm and timid old gentleman, and many of his co-religionists here feel that as long as he remains the affairs of the community are unlikely to be settled.

6. In addition to the disabilities described above, it may be recalled that Greeks, Armenians and Jews—far from having State employment open to them—can in practice not be engaged by public utility undertakings, such as railways, tramways and telephones, and can hardly be employed by big commercial concerns like banks and insurance companies. Furthermore, official insistence, which is increasing rather than diminishing, on the devotion of time to the teaching of Turkish and of history, geography, &c., in Turkish, in minority schools is a very serious violation of the educational liberty accorded to non-Moslems by the Lausanne Treaty. In spite of all this, however, the position of non-Moslems here has improved very much in the last two years. Although there is plenty of petty vexation, there is no longer persecution. Papa Efthim, the would-be head of the "Turkish Orthodox Church," is rarely heard of. He still holds on to two churches in Galata, but the Turkish court before which he sued the Orthodox Patriarch for damages on account of his ex-communication came, after some delay, to the very proper conclusion that it was incompetent to hear the case. It is a good sign, too, that the Greeks are able, as stated above, to object to Turkish proposals for the regularisation of their position, and that the Armenian Patriarchate should have ventured to reclaim—certainly without much result so far—properties belonging to it in Anatolia. The minorities are undoubtedly depressed, but that is due largely to economic causes which affect Moslem and non-Moslem alike. This depression and the difficulty of escaping service in labour battalions—although service in these appears not to be excessively hard—cause a continuous exodus of non-Moslems. No doubt many more would go if they could only sell their property, but there is still an embargo on the transfer of Greeks' property, and for all the market is bad.

7. As you are aware, the non-Moslems are now confined almost entirely to Constantinople. There are no Greeks in Anatolia and only a handful of Armenians and Jews distributed over the towns. In the south-east of Anatolia there are a few Maronites and other Syrian Christians in Cilicia, a remnant of the Jacobites at Mardin, and of Assyrians and Chaldeans north of Irak. But of these latter the only news I receive comes through the High Commissioner at Bagdad.

8. I am sending a copy of this despatch to His Majesty's Minister at Athens.

I have, &c.

GEORGE R. CLERK.

[E 2831/1672/44] No. 47.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received June* 27.)

(No. 317.)

Sir, *Therapia, June* 22, 1927.

WITH reference to my despatch No. 207 of the 3rd May last, in connection with the activities of the German firm of Julius Berger of Berlin, relative to railway construction, I have the honour to inform you that the local press now announces that a convention has been signed between the Turkish Government and the German group for the construction of the following railways:—

(*a.*) The Kutahia–Tavchanli et Prolongement (225 kilom.).

(*b.*) The Oulou Kichla–Bogas Keupru line (180 kilom.). Bogas Keupru is situated about 10 miles west of Caesarea.

2. I hope shortly to obtain a copy of the convention relative to these undertakings, as well as precise information as to the system of guarantee which the Turkish Government is to furnish against the constructional work to be executed by the contractors.

3. According to the press, the contracting firm is to commence operations in respect to the Kutahai–Tavchanli line within a maximum period of forty-five days as from the 15th June, the date of the signature of the convention, whilst operations in respect to the Oulou Kichla–Bogas Keupru line are to be taken in hand six months later.

4. It is reported that the firm of Julius Berger, in conjunction with the Deutsche Orient Bank, is raising a loan of 65 million gold marks to be paid back by the Government over a period of seven years. Four payments will be made in accordance with progress on the two lines.

I have, &c.

GEORGE R. CLERK.

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[E 2832/1672/44] No. 48.

Sir G. Clerk to Sir Austen Chamberlain.—(*Received June* 27.)

(No. 318.)

Sir, *Therapia, June* 22, 1927.

SINCE the future of Turkey is largely dependent upon her economic condition, the enclosed copies of certain confidential reports,* drawn up by the local branch of the Ottoman Bank and supplied to me in strict confidence by its British manager, Mr. Reid, have considerable interest.

2. For convenience of reference I also enclose a summary of these reports prepared by a member of my staff (Mr. Mallet), which brings out the salient points of each.

3. The conclusion to be drawn from them is that Turkey seems to be moving in a vicious circle. She has set her feet in the way of Westernisation, with its attendant necessity for a balanced budget and a sound policy of economic development, such as the East has never known. For development she needs capital; but as yet she is unwilling to take the necessary steps to attract it from abroad by facing her unpaid debts and giving foreign trade a fair chance. The Association of Foreign Bondholders in London, the holders of Ottoman debt coupons in Paris and elsewhere, and the numerous British and foreign companies interested in moribund mining or engineering enterprises in this country receive no compensation; but the Republican Government of Turkey continues to mortgage its already assigned revenues to Swedish, Danish, Belgian and German groups for the construction of railways and other public works of a purely hypothetical commercial value.

4. Negotiations for a construction contract with the important American Ulen group recently failed for the second time, presumably because the security offered by the Turkish Government was not considered to be sufficient by conservative finance in America. The money markets of Paris, London and New York therefore appear for the time being to be united in their policy of withholding money from Turkey until she meets her overdue obligations.

5. Nevertheless, German groups continue to finance new railway and development projects in this country. The Dresdner Bank is said to be largely at the back of the Swedish and Danish group, which has begun work on the Heraclé–Angora and Keller–Malatia–Diarbekir lines; and an agreement is now reported to have been signed between the Julius Berger Consortium and the Turkish Government for the construction of further railway lines, reported in my despatch No. 207 of the 3rd May.

6. The deciding factor of this continued trust by German business interests in the ability and willingness of Turkey to meet her mounting obligations towards them is said by the German Embassy itself to be the absolute necessity of obtaining orders to keep the German metal and heavy industries working at high pressure. For this reason the same source maintains that profits are cut to a minimum and all warnings that the security offered for these enterprises by the Turkish Government has already been in part assigned to others or is grossly overestimated in value are disregarded.

7. There can be little doubt that, whatever the motive, German firms are sweeping the steel, iron and machinery markets of Turkey. In part this may be due to lower prices; in part it is certainly due to the intimate connection between German firms and the various members of the Turkish departments responsible for placing these contracts. German advisers there are in the Public Works and other Ministries; German officers in the fleet and acting clandestinely as military advisers in such fortified zones as Smyrna. Through these people advance information probably reaches German interests, and it is noticeable that, largely owing no doubt to the fact that railways, bridges and rolling-stock in Turkey are mostly of German construction, the specifications for new materials and supplies are almost always issued in German and to German standards and gauges.

8. Germany therefore has a strong economic hold on Turkey, and her industrialists seem to have decided to strengthen that hold by showing obvious trust in Turkey's ability and willingness to pay and accepting the security others refuse for the large constructional enterprises of this country.

9. The nature of the security offered is consequently worth examining. In the case of the Swedish and probably the German railway contracts, it consists of Government bonds backed by the semi-official Turkish banks, such as the Ish Bankassi

* Not printed.

and the Agricultural Bank, redemption of these bonds being guaranteed as they fall due every three or six months; that is, as the constructional works proceeds. But the banks themselves are really the Turkish Government or its more influential members. In the Ish Bankassi the President of the Republic has large interests; indeed, he and his small coterie of intimate friends derive no small profit from its operations, although the money used is freely reported to belong to the State. That such banks are at present profitable there can be little doubt; but in the sense of true finance they offer no security whatever.

10. The security offered to foreign enterprise therefore amounts to no more than the good name and goodwill of the present or future Turkish Governments. So long as order reigns, taxes are paid and budgets balance or deficits are made good by invisible assets, Turkey hopes to be able to pay her new creditors. Indeed, it is essential for her to do so in that she has already trampled upon the rights of her old ones and set her face against meeting their demands on the plea that the debts were incurred by the old and degenerate Ottoman Sultans, and that new Turkey should not be saddled with this burden at the outset of her career as a modernised State.

11. But the interests of the German financier and the German merchant are in the long run one and the same, which must, it would seem, make it next to impossible for the present régime to continue indefinitely its steadfast policy of squeezing the foreign merchant, particularly in Constantinople and Smyrna, while at the same time persuading the German Embassy and the incoming financier to recommend the outlay of German capital in this country.

12. For the German merchant must needs report home on his inability to make both ends meet because of the lack of good faith or obstructive policy of the Turkish departments; and, despite clandestine orders for munitions and similar occasional windfalls, there is good reason to believe that all is not well with the hardworking German trader in this country, whose cries to his Embassy and his supplier in Germany against extortion and unfair handicaps wax ever louder and louder.

13. A considerable factor, moreover, in the economic status of the country is the venality or otherwise of the Administration.

14. In this respect Turkey has perhaps never been above reproach; but there can be little doubt of the almost universal corruption of officials to-day, from the highest to the lowest.

15. At the head stands the President, who recently accepted a new and luxurious car from a candidate for a large contract in Angora, whose success was thereafter regarded as a foregone conclusion; at the foot stands the custom official, whose price for passing trunks unopened, despite a vast espionage system, varies from 50 to 100 piastres!

16. So marked is this corruption to-day that the chief claim to fame of two members of the Cabinet is openly stated to be the impossibility of bribing them. Caused largely by the utter inadequacy of the salaries of all Government officials, the results are not far to seek. Roads in Angora are tripled and built without foundation or soling; contracts placed and accepted with the main object of providing the requisite percentage for the Deputy or Minister concerned; and it is difficult to avoid the conclusion that personal profit rather than national necessity is often the deciding factor in the grandiose schemes now being started all over the country.

17. This to some extent may also account for the apparent steadfastness with which the President and his immediate advisers pursue their plans without due regard to finance; but I do not wish to press this point too far, as there is also undoubtedly a striving after ideals which animates the Ghazi in his present task of modernising his country, and which is an important factor in closing the public eye to the venality of his Government.

18. It is my impression, therefore, that Turkey is hazarding a very great deal in a gambler's throw of the dice.

19. It will be seen from the enclosures that these appear to the expert eye of the financier to be loaded against her. In which case she can only turn to her German friend for help in the hated form of loans, or persuade others to give up their present aloofness and help her lest she relapses into traditional Eastern helplessness in matters of finance.

20. It is at least significant that the Turkish Ministry for Foreign Affairs claims that already the "ring" against his country is broken. England is lending to Germany and Germany is financing Turkey. If, argues Tewfik Rushdi Bey, Turkey were to default, so would German firms who have more or less directly secured the capital for their enterprises from Great Britain. Therefore in the long run

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Great Britain will find it cheaper and more advantageous to finance Turkish enterprises herself, and France, whose coupon holders are watching the British bondholders' resistance to Turkish offers with some fretfulness, will not be far behind. The optimism of the speaker quoted is well known to you, but it is possibly more or less true that English money lent to Germany is in this manner finding its way to Turkey. The important point unknown to Tewfik Rushdi Bey and myself is the degree of security offered by German firms to British capital; and this point will decide whether Germany is taking the entire risk of a Turkish default or is in a sense underwriting it in Great Britain and perhaps in the United States of America, while hoping herself to secure the benefits, both political and financial, that accrue to her from her friendship with this progressive Eastern gambler.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 48.

SUMMARY.

Turkey's Internal Capacity for Payment.

THE budget of 1926–27 has been theoretically balanced :—

	£T.
Receipts	190,158,854
Expenditure	190,103,544
	55,310

But in fact the budget 1926–27 inherited from that of 1925–26 a deficit of some £T. 20 million, to which must be added a deficit of some £T. 12 million from the interim budget of March–May 1926, £T. 5 million resulting from use by the Treasury of the equivalent to one month's salaries of civil servants whose pay was kept in arrears, and a supplementary credit of £T. 3,500,000 voted in April, *i.e.*, a total actual deficit of about £T. 40 million.

In January 1927 it was announced that the Turkish Government had paid off £T. 34 million of its debts. This was done by : (1) Cutting off 13 per cent. from all Ministerial budgets = £T. 20 million, (2) making use of £T. 7 million allocated to external debt; (3) spending an advance of the Treasury on £T. 7 million gathered from certain taxes which are paid almost in full during the first months of the financial year, *i.e.*, total £T. 34 million. This latter item is only an advance which will have to be repaid to the Treasury at end of year. There will remain therefore at the end of the year a deficit of £T. 7 million plus £T. 6 million = £T. 13 million.

The budget of 1927–28 will therefore inherit a deficit of £T. 13 million. This will probably be increased—

(1.) By the failure of the spirit monopoly, the revenue from which was estimated at £T. 6,500,000 but will probably amount to only £T. 3,500,000.

(2.) An approximate credit of £T. 5 million for the concession of the Ouloukishla–Caesarea and Kutahia–Tavchanli Railways; altogether, a deficit of some £T. 21 million. If the same economies on Ministerial budgets were made as in 1926–27 (£T. 20 million) this could be almost wiped out, but unfortunately in 1926–27 more than half the sum derived from these economies, or £T. 11,500,000, was made over to railway construction. This, in view of the Government's plan for Public Works, will again be the case in 1927–28. There would remain, then, a deficit of £T. 12,500,000.

(3.) To wipe this off and to provide the £T. 17 million or £T. 18 million necessary to meet the payments on the coupons, the Government will have to produce £T. 23 million, in addition to the £T. 7 million already provided for the service of the debt in the budget of 1927–28.

The only source available for this is the budget of Defence and Public Works, amounting in all to 50 per cent. of the whole expenditure of the State.

2. *Can the Turkish Budget bear an Annual Charge of £T. 17 million.*

1. In 1923–24 Turkish taxable resources had to pay £T. 110 million to the State; in 1926–27 the same resources had to meet a demand of £T. 190 million from

the national income. In addition, local taxes have to be paid to the amount (in 1925) of £T. 45 million, an increase of 400 per cent. over the figure for 1920. This payment of £T. 235 million in 1925 represents 33·5 per cent. of the national income, whereas taxation in England amounts only to 22·3 per cent. of the whole. It is clear that higher taxation in Turkey is unlikely to be productive of increased revenue.

2. Therefore economies must be effected. The Defence budget in 1926–27 was more than double that of 1924–25. If reduced only to the level of 1925–26 it would make available the £T. 17 million needed and would even then represent more than a quarter of the total budget. Similar arguments apply to the Public Works budget (14 per cent. of whole), which is largely strategic expenditure.

3. *Turkey's Capacity to Buy Foreign Currency.*

Can Turkey buy the £6,000 sterling a day needed to pay its debts without unsettling its exchange? Turkish financial balance before the war was unfavourable to the extent of about £15 million a year; exchange was maintained by foreign loans. After the war Turkey bought heavily abroad, and in four years ran up an unfavourable balance of some £T. 180 million, which resulted in steady depreciation of the Turkish pound. In latter years the trade balance has always been unfavourable. To this must be added expenses of freights and marine insurance, payment of dividends to foreign shareholders in Turkish companies, payment of interest on some foreign debt, and purchase of war material abroad. Against these can be set only the expenditure of visitors to Turkey. The result is a steadily growing deficit amounting in 1925 to £T. 86 million. However, even with the addition of £T. 17 million for the debt, this still remains lower than the pre-war deficit. Governmental policy has aimed steadily at removing the causes of this deficit by helping agriculture to increase exports, by imposing taxes to check imports, by building up manufactures, and by encouraging a national mercantile marine and national insurance. Export trade has already increased from 36 per cent. of the whole turnover before the war to 46 per cent.

The purchase of £T. 17 million worth of foreign stock might affect the exchange adversely, but should not do so, since it amounts only to £6,000 a day in a day's turnover on the Stamboul market of £150,000.

Turkey's capacity to purchase foreign stock to pay annuities on, and to amortise, her external debt depends on her financial balance. In 1926, thanks to increasing exports, to the introduction of capital by foreign syndicates exploiting monopolies, and to the increased number of visitors to Turkey, the deficit has been reduced to about £T. 40 million. But even if the excess of imports over exports, now amounting to about £T. 18 million, were to be completely wiped out, the necessity of paying £T. 17 million annually would increase the deficit once more to £T. 40 million. In this case the Turkish pound would inevitably continue to fall. It is, however, true that the mere fact of starting to pay off the debt would start a sentimental movement in favour of the Turkish pound, and would facilitate the influx of foreign capital, which, by improving the balance of trade, would in its turn enable more money to be put aside for debt settlement.

Conclusions.

The only reliable way in which Turkey can maintain her exchange at a point high enough to enable her to pay off her foreign debt is by ensuring that her general trade balance is not unfavourable. This can only be arrived at (1) by the influx of foreign capital—itself dependent on the settlement of the debt; and (2) by economies on purchases of war and railway material abroad, and on Defence and Public Works at home, which would provide the Government with the funds needed to balance its budget.

[E 2835/74/65] No. 49.

Sir G. Clerk to Sir Austen Chamberlain.—(Received June 27.)

(No. 321.)

Sir, *Therapia, June 22, 1927.*

THE attached extract from a Turkish paper of the 20th June* is worthy of note in connection with the decision of the Turkish Government to close the Turkish frontier to the nomad Kurdish tribes from Iraq, as reported in my despatch No. 213 of the 4th May.

2. In practice, this law gives authority to the Turkish Government to transport from the eastern vilayets an indefinite number of Kurds or other elements considered to be recalcitrant by the authorities at Angora. Nominally, the law enables the Government to transfer some 2,000 rebel families from the Kurdish districts in general, and from the Bayezid (not Bitlis, as the extract wrongly says) Vilayet in particular. As stated in my despatch No. 192 of the 20th April last, the Government had already begun to apply to the Kurdish elements, against which it is making war, the policy which so successfully disposed of the Armenian Minority in 1915. It is a curious trick of fate that the Kurds, who were the principal agents employed for the deportation of the Armenians, should be in danger of suffering the same fate as the Armenians only twelve years later. There is not, however, at present reason to think that the Government will attempt to carry out deportations on the scale of 1915.

3. The law passed by the Grand National Assembly gives the deportees certain judicial rights of appeal in respect of the liquidation of property, but the shortness of the respite allowed to them would probably nullify the value of this privilege, and it is impossible to say how far any appeal would actually be given a hearing.

4. No indication is given of the districts to which they are to be sent, and in the case of the poorer ones, at all events, it may be excusable to wonder how many will reach their allotted destinations.

5. Last month the Government newspaper, in discussing the eastern provinces again, regretted that lack of funds held up the execution of the programme of reforms. Such things as the organisation of inspectorates, the impounding of arms, the reorganisation of law courts, the taking of a census, the establishment of a land registry and the breaking up of the tribes—which is, of course, the Government's ambition—all needed money. Reforms must, therefore, Mahmud Bey said, be expected to come slowly, but, although there had been agitation stimulated from within Turkey and from without, both before and after the establishment of the Angora régime, there was in the Kurdish districts no national feeling worth speaking of, neither Kurdish nor Turkish. He therefore welcomed the intention of the Minister of Education to run the schools in the east with teachers thoroughly imbued with modern Turkish ideas.

6. The Kurdish Amnesty Bill has been for some time with the Parliamentary Judicial Commission, but it now seems to refer only to offences committed before the rebellion. In general, it is to be inferred that the Government is much more occupied with confiscating arms and extirpating influential families than with such amenities as schools, law courts and land registers.

I have, &c.
GEORGE R. CLERK

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* Not printed.